Solutions for Demanding Business

asseco
CENTRAL EUROPE

ANNUAL REPORT 2013

CHAIRMAN´S LETTER
MANAGEMENT REPORT
SELECTED FINANCIAL DATA
CORPORATE GOVERNANCE
STANDALONE FINANCIAL STATEMENTS

4 March 2014

CONTENTS

I. CHAIRMAN´S LETTER

Dear Shareholders and Investors, Customers, Colleagues and Readers,

I take this opportunity to express sincere satisfaction with the 2013 results. I and the members of the Board of Directors are really pleased what Asseco Central Europe together with its subsidiaries managed to achieve last year. All new customers, each new project and every successfully performed delivery of services make us happy.
Although we did not manage to achieve all planned economic objectives, despite that we are pleased by the results specified in this Annual Report. I address my gratitude to my colleagues from the Board of Directors, key persons in the Company, namely the directors of the divisions, and particularly to all our employees.

In the period from 2008 to 2009 we achieved our results thanks to the projects implemented in Slovakia, in the period from 2011 to 2012 we benefited from the projects in the Czech Republic. In 2013 we again started to benefit more from the projects in Slovakia. Such mutual complementarity between the countries helps us eliminate any shortfalls in individual countries, which are caused mainly by the unstable situation in the segment of the state administration. I would like to express my hope that the 2014 projects in the both countries will contribute to the common results by the same and particularly the above-average share.

Which key factors affected the economic results in 2013? The negative phenomenon is decreasing project profitability. Last year we fully recorded the intensive pressure of the customers to reduce their own costs, which was negatively reflected in the reduction of our hourly rates, dropped revenues and change in the structure of revenues to the detriment of the lump sum payments. We had to deal with this reduction more intensively than in the past and focus rather on new customers and new projects of the existing customers. At present the income from the new projects amounts to 35-45% from the annual revenues when compared to 15-20% in the period from 2008 to 2011. New customers and new projects must be or had to be won in the tenders, while the main or even the only relevant criterion is the price (even with the commercial customers). It is extremely difficult to win such tenders and deliver the work for such low invoiced income and to avoid loss; this becomes even more difficult every year. For the reasons above our EBIT decreased when compared to 2012, i.e. our economic results dropped by almost 15%, a decrease of EUR 15 per invoiced EUR 100. It's a trend that we will have to face in the future. To achieve the same economic result in the absolute amount means to try to increase annual revenues compared to the past with lower profitability. And that means winning more and more new projects every year.

Let me specify several selected new customers and a few selected new projects for the existing customers that we won in 2013:

- **The Czech Statistical Office** in the Czech Republic – it concerns a project for supply of the software and comprehensive service support for the Office's information system. In the public procurement procedure we succeeded due to fulfilment of the qualification criteria and, as I have stated several times, due to the *lowest price*.
- **The Czech-Moravian Building Society** in the Czech Republic – *we won the tender particularly thanks to our competencies in building savings, but again thanks to the lower cost compared to our competitors*. This significant project for the period of 30 months covers all processes of the building savings company, including exchange of the core system and system integration.
- **SKUP** in Poland – together with our young subsidiary DanubePay we struggled in the tender declared by mBank (a member of Commerzbank Group) for the provider of processing and settlement services for the project in Silesia concerning the segment transport services. We won *again thanks to the best price*.

- **Supreme Audit Office SR** – in 2012 we finished implementation of the project for this customer financed from the EU funds as a part of OPIS. In 2013 SAO decided to expand the requirements for the audit IS delivered by us and declared the tender for the connected project, in which we succeeded again. Thus with this "new old" customer we continue implementing the new project funded again from OPIS.

In 2013 Asseco Central Europe Group provided its software and consulting services through companies specialising in six segments, which we internally call business units and categorise according to their shares in the annual revenues as follows:

• Telco (Slovanet)	26%
• Public & Utilities (Asseco CE)	20%
• Enterprise Resource Planning (Asseco Solutions)	19%
• Finance (Asseco CE, Statlogics)	15%
• Healthcare & Insurance (Asseco CE, GlobeNet)	11%
• IT Infrastructure & Integration (Asseco CE)	9%

Dear readers, allow me to thank all our customers for their loyalty and trust. Many thanks also to all my colleagues for their hard work and efforts for the benefit of our Company. Without them we would not be able to implement our projects.
I address my cordial gratitude to Mr Adam Goral and colleagues from Asseco Poland who helped us create a common platform for the international cooperation. In 2013 we also thanks to the size and position of the Asseco Group succeeded with selected customers. Strong background of the Asseco Group, references, products and solutions are a good prerequisite for the successful future of our Company and the entire Asseco Group.

Jozef Klein

CEO and Chairman of the Board of Directors

II. MANAGEMENT REPORT

1 GENERAL INFORMATION

1.1 Organizational structure and nature of business operations

Asseco Central Europe, a. s. (the "Company", "Asseco CE") is a member of the international Asseco Group, one of the leading software houses in Europe.

Company is listed on the Warsaw Stock Exchange since 10 October 2006. At that time it was the first Slovak company directly listed on a foreign stock exchange.

The business profile of Asseco Central Europe, a. s. (SK) includes software and computer hardware consultancy, production of software as well as the supply of software and hardware. According to the classification adopted by the Warsaw Stock Exchange, the Company's business activity is classified as "information technology". Other undertakings of the Group conduct similar operations.

Asseco Central Europe, a. s. is the parent company of the Asseco Central Europe Group (the "Group"). Members of the Asseco Central Europe Group are also other IT and telecommunication oriented companies and the Company thus employs more than 1,400 people. In addition to comprehensive IT services, the Group also sells goods including computer hardware. The sale of goods performed is to a large extent connected with the provision of software implementation services.

1.2 General information

Company's name:	Asseco Central Europe, a. s.
Registered seat:	Trenčianska 56/A, 821 09 Bratislava
ID number:	35 760 419
VAT ID:	SK7020000691
Established:	12 February 1999
Legal form:	joint stock company
Share capital:	EUR 709,023.84
Number of shares:	21,360,000
Type of shares:	bearers shares
Nominal value of share:	EUR 0.033194
Registered:	Commercial Register maintained by the District Court of Bratislava I., Section: Sa, File No.:2024/B

2 SELECTED FINANCIAL DATA OF FINANCIAL STATEMENTS

SELECTED FINANCIAL DATA	In thousand of zł		In thousand of EUR	
	4 quarters cumulative	4 quarters cumulative	4 quarters cumulative	4 quarters cumulative
	1 Jan 2013 - 31 Dec 2013	1 Jan 2012 - 31 Dec 2012	1 Jan 2013 - 31 Dec 2013	1 Jan 2012 - 31 Dec 2012
Sales revenues	148,711	129,419	35,315	31,009
Operating profit (loss)	25,797	24,724	6,126	5,924
Pre-tax profit (loss)	65,089	56,828	15,457	13,616
Net profit for the period reported	58,929	52,016	13,994	12,463
Net cash provided by (used in) operating activities	1,773	32,967	421	7,899
Net cash provided by (used in) investing activities	55,408	7,304	13,158	1,750
Net cash provided by (used in) financing activities	(42,299)	(58,935)	(10,045)	(14,121)
Increase (decrease) in cash and cash equivalents	14,882	(18,664)	3,534	(4,472)
Assets total	485,961	444,588	117,178	108,749
Non-current liabilities	-	-	-	-
Current liabilities	56,460	37,366	13,614	9,140
Shareholders' equity	429,501	407,222	103,564	99,609
Share capital	2,940	2,899	709	709
Number of shares	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in ZŁ/EUR)	2.76	2.44	0.66	0.58
Book value per share (in ZŁ/EUR)	20.11	19.06	4.85	4.66
Declared or paid dividends per share (in ZŁ/EUR)	1.98	2.70	0.47	0.66

Selected items of Statement of financial position are recalculated at the average exchange rate announced by the Polish National Bank prevailing on the balance sheet date. Selected items in the Profit and loss account and Cash flows statement for the period are converted by the arithmetic average of exchange rates announced by the Polish National Bank at the last day of each month of the period.

Exchange rates

The following exchange rates between ZŁ and EUR were used to recalculate financial information:

- Selected items of Statement of financial position as of 31 December 2013 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = ZŁ 4.1472).
- Selected items of Statement of financial position as at 31 December 2012 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = ZŁ 4.0882).
- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2013 to 31 December 2013 were recalculated at average exchange rate calculated from exchange rates announced by National Bank of Poland on the last day of each month in the reported period (EUR 1 = ZŁ 4.2110).

- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2012 to 31 December 2012 were recalculated at average exchange rate calculated from exchange rates announced by National Bank of Poland on the last day of each month in the reported period (EUR 1 = ZŁ 4.1736).
- The highest and the lowest exchange rate for the reported periods are as follow:

		1 Jan 2013 - 31 Dec 2013	1 Jan 2012 - 31 Dec 2012
max	ZŁ -> EUR	4.3432	4.5135
min	ZŁ -> EUR	4.0671	4.0465

3 COMPANY VALUES

3.1 Mission

The mission of Asseco CE comprises binding values which form an integral part of the business environment and also apply internationally. These binding values are represented in particular by the high and stable quality of the offered solutions and services, continuous care for customers, flexible response to the needs of the market and providing the customers professional IT services and information systems on the basis of modern information technologies which support their business activities and success. Last, but not least, it includes the assurance of the long-term prosperity of Asseco Central Europe.

3.2 Visions

Asseco Central Europe's vision

"Solutions for Demanding Business" – the credo of Asseco CE represents a key and stable IT service-provider that is at the same time building its position of a strong, reputable and reliable company on the domestic, and international ICT market.

Asseco Group's vision

Asseco Group wants to build a reliable and profitable global information technology company providing high quality software and services. Asseco Group's strategy is based on two pillars. The first is organic growth which is achieved through proprietary software and services, whereas the second one involves expansion through acquisitions.

Organic growth

Asseco strategy relies on sector-specific business expertise, which is supported by technological competence. The company builds long-term trust-based relationships with customers, becoming their strategic business partner. Asseco leverages on the vast experience of its international affiliated companies to create a comprehensive portfolio of products satisfying the needs of thousands of its customers. The company wants to be perceived as a 'one-stop shop' and therefore, in addition to its own IT solutions and services, it also delivers infrastructure necessary for the proper operation of business applications.

Expansion through acquisitions

Asseco is interested in taking over companies that will either enhance its competence in individual sectors or provide an opportunity to enter new geographical markets. Asseco Poland has successfully implemented its acquisitions policy for many years, and nowadays is one of the most experienced market consolidators in Poland.

3.3 The Company’s strategic goals

- To be a stable partner of the customer and to support its development and competitiveness by deliveries of modern information systems with high added value to the customer.
- To continue to increase customer satisfaction by increasing the quality of services and by application of the latest trends in the development of information systems.
- Strengthen its position in the Central European market and to penetrate international markets using mutual synergies within the Asseco Group.
- Promote a strong, technically and morally savvy and customer-oriented employee base.
- Build a corporate culture that supports cooperation, innovative and dynamic development of the Company.
- Develop and promote scientific research in the field of IT.

3.4 Characteristics of factors relevant to development of the Group

Constant Organic Growth

Asseco CE wants to improve constantly, keep up with the times and bring advanced technologies and “Solutions for Demanding Business” to the market, thus meeting the needs of the clients. Acquisitions that the Company realized over the years not only expanded its competencies, but also made it possible to penetrate into new segments and markets.

Trust of Investors and Shareholders

With its listing on a Stock Exchange market Asseco Central Europe was transformed from a privately-owned joint-stock company to a publicly traded one. Its presence on the Stock Exchange means particularly the necessity of a new approach to process management and the implementation of key decisions, while considering the interests of investors, fulfilment of their expectations and building their trust.

Satisfied Customers

The only reliable way how to win and keep customers is to provide them with quality services and solutions with a high added value to reach their strategic goals. Their satisfaction and loyalty resulting from it are the basis of success of each company.

Proprietary software

In an effort to meet customers´ and business partners´ expectations, Asseco CE focuses particularly on continuous improvement of the quality of provided services and products. This is closely related to the stable, enhanced attention and devoted management, coordination and improvement of the processes in the Company. Asseco Central Europe implemented and certified Quality Management System according the norm ISO 9001 in 2002 for the first time. The system is constantly being improved and maintained in accordance with the requirements of applicable standards.

Employee Satisfaction

The Company is aware of the fact that its employees represent a key factor in the provision of quality services. It considers their motivation and loyalty an integral part of the Company’s success. Its aim is to create a stimulating working environment that develops the creativity of employees and supports their personal growth.

Social Responsibility

Asseco Central Europe strives to contribute to increasing the quality of life of society not only by developing of modern information technologies, but also by supporting scientific institutions committed to this goal.

3.5 Company management code

Asseco CE is fully aware of the importance of having Corporate Governance standards in place and complying with them. In accordance with standards valid in the market, the above corporate management principles and methodology - "Best Practices" – were incorporated into the Company's documents and procedures.

The Company Management Code was approved by the Company´s Board of Directors and published in the Current Report, i.e. in the Stock Exchange report, on 13 March 2008. This report is accessible on the Company's official web site under the "Investors" Section. It contains complete information about the management methods utilized in the Company as well as all information about deviations from the Management Code and the reasons why the decision deviating from the Code was made.

3.6 Code of conduct

The Company's Code of Conduct represents a set of principles that are focused inside the Company – towards the employees, as well as towards its surrounding environment. It primarily recognizes principles of ethical behaviour while conducting business and upholds principles of objectivity, transparency, accountability and openness in its activities. Asseco Central Europe declares that it nowadays, as well as in the future, wants to be a reliable partner for its customers, shareholders, business partners, employees and also for the public in all the countries and regions where it operates. Based on conditions for an open and transparent corporate culture that are created by the Company, the staff members are able to distinguish between reasonable and contentious actions.

Asseco CE regards as its core values, above all, to be:

- **Relations within the Company, especially:**
  - respect for people – a basis for interpersonal relationships
  - honest, conscientious and efficient work
  - communication ethics
  - Company loyalty
  - upholding the Company's reputation and safeguarding its assets
  - ethics in conflict resolution

- **Relations with customers and suppliers**, meaning respect for customers and correctness toward business partners. Local or international legal frameworks apply to all entrepreneurial conduct. Once the Company was listed on the Warsaw Stock Exchange, the impact of these frameworks on Company's conduct is even more significant.

Asseco CE encourages any expression of opinions and suggestions staff members make. If necessary, staff members can even make any non-public expressions of opinion, complaints or communications by means of anonymous post box located in unmonitored spaces in the Company's headquarters or via intranet. The Company will handle each opinion, suggestion or recommendation it receives.

4 COMPANY´S AUTHORITIES

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 31 December 2013:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2013-31.12.2013	Adam Tadeusz Góral	1.1.2013-31.12.2013
Radek Levíček	1.1.2013-31.12.2013	Andrej Košári	1.1.2013-31.12.2013
Tomáš Osuský	1.1.2013-31.12.2013	Ján Handlovský	1.1.2013-31.12.2013
Marek Grác	1.1.2013-31.12.2013	Marek Paweł Panek	1.1.2013-31.12.2013
David Stoppani	1.1.2013-31.12.2013	Przemysław Sęczkowski	1.1.2013-11.2.2013 21.3.2013 – 10.4.2013 (substitute member) 10.4.2013 – 31.12.2013

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 4 March 2014:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2014-present	Adam Tadeusz Góral	1.1.2014-present
Radek Levíček	1.1.2014-present	Andrej Košári	1.1.2014-present
Marek Grác	1.1.2014-present	Ján Handlovský	1.1.2014-present
David Stoppani	1.1.2014-present	Marek Paweł Panek	1.1.2014-present
		Przemysław Sęczkowski	1.1.2014-present

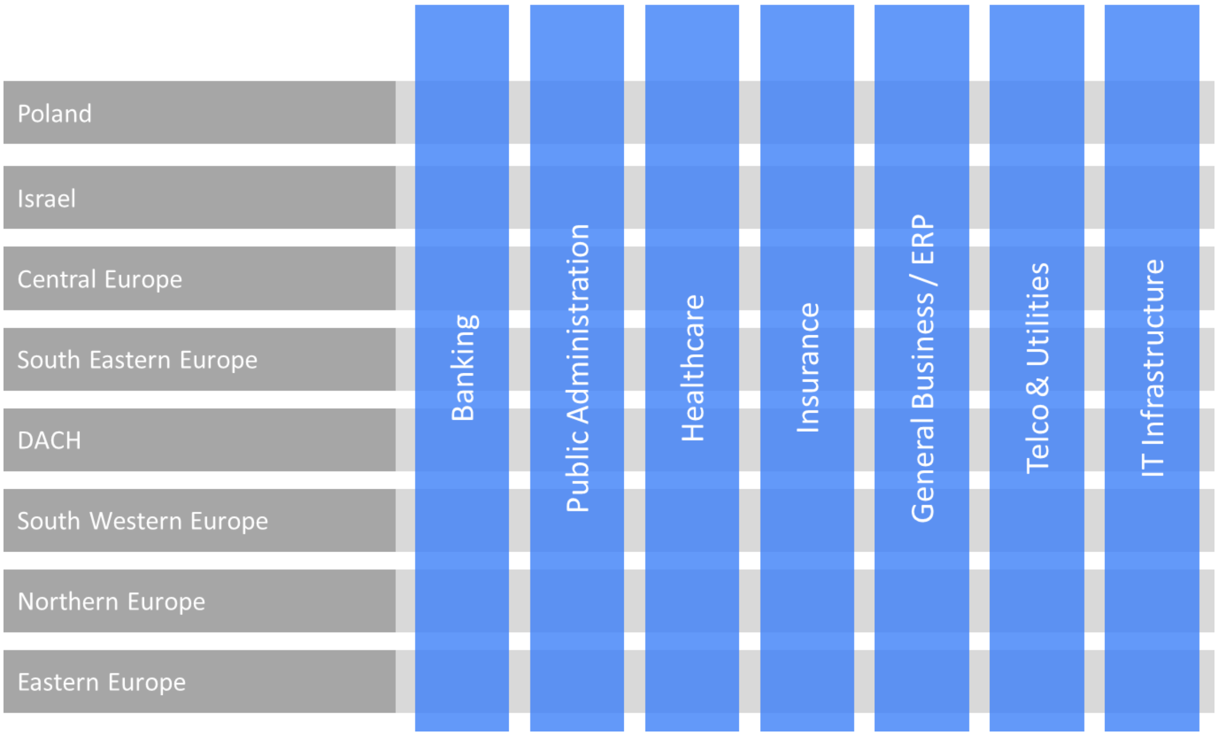
Mr. Tomáš Osuský has resigned from his position in the Board of Directors of Asseco Central Europe, a. s. According to Article 27.7 of the Statuses of the Company, the resignation came into effect on the date when the Board of Directors discussed the resignation, i.e. 28 February 2014.

4.1 Changes in the number of Asseco Central Europe shares owned by the members of the Board of Directors (BoD) and Supervisory Board (SB)

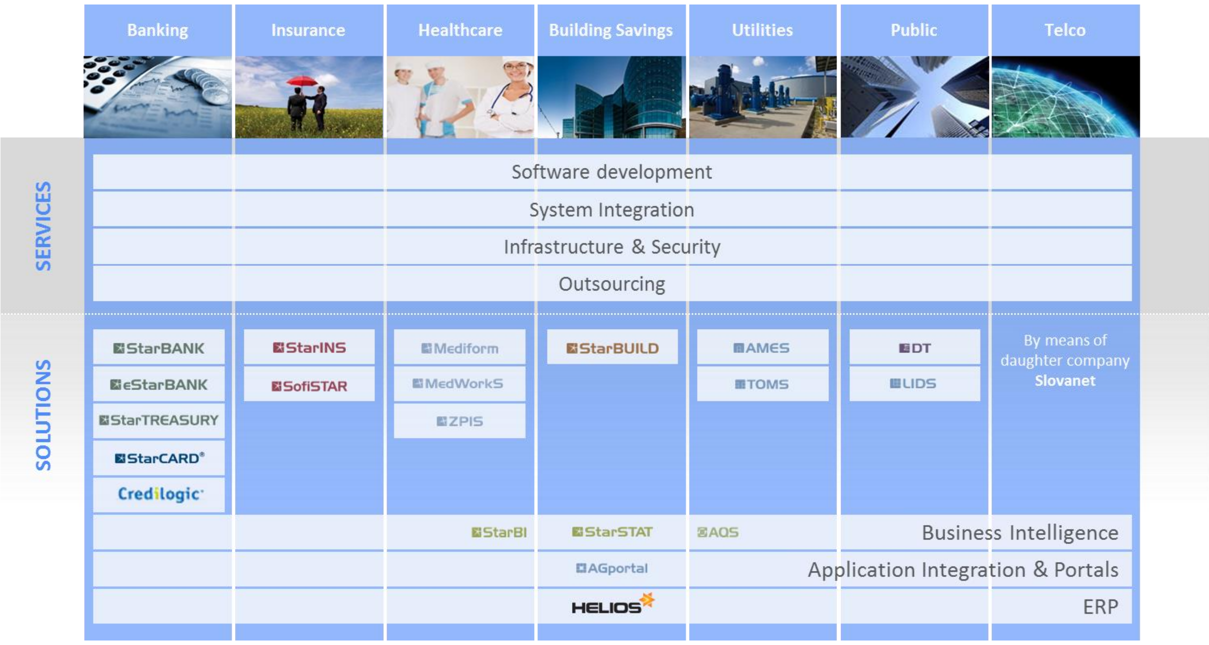
Members of the Board of Directors and the Supervisory Board of the Company do not hold any shares of the Company.

5 PRODUCT PORTFOLIO

In order to benefit from synergies arising from mergers and acquisitions, the products and services provided by individual companies within the Asseco Group are divided into transparently defined organizational units called Business Units. Business Units include Banking, Insurance, Healthcare, Public Administration, Telco & Utilities, IT Infrastructure and ERP (Enterprise Resource Planning). This matrix-oriented organizational structure combines the hierarchic management line of individual regions and entities in regions with a segment-oriented organizational structure, which is strictly focused on creating business opportunities in the given segment. This organizational arrangement makes it possible to consolidate products and services within Business Units and at the same time to simplify the offer of the whole group.



The offer of products and services is also within every regional grouping arranged to segment-oriented groups/ areas which are autonomously managed. Within Asseco Central Europe, they include the following areas: Finance, Healthcare & Insurance, Public, IT Infrastructure & Integration, Telco and ERP. Specific divisions of Asseco CE SK/ CZ or entities belonging to Asseco CE at the regional level are allocated to individual Business Units. Products or product groups are divided in the same way. Asseco CE builds its offer on key products which represent the basis of its competences and experience. One of the basic goals of the Company is to create efficient and easily accessible solutions which fully respect the differences and specifics of individual customers and thus help them achieve their competitive advantage. This goal has been fulfilled by a suitable combination of offered products and present solutions and by the development of customized solutions.



Segment oriented groups with overview of Company´s portfolio of solutions and services.

The product offer is complemented by key services and competences which spread across the product portfolio. They include two basic services: software development and outsourcing.

Software development is the strongest competence of Asseco CE, covering all activities associated with software development – from detailed analysis of customer requirements through the consultation of possible solutions, development, design of optimal technology architecture, technology and development tools, up to testing, documentation, implementation, training or support in the solution of operational problems. The Company has technical expertise as for commercial entities – banks and insurance companies, and also for health care facilities or public organizations.

In the area of **outsourcing** Asseco CE offers a wide spectrum of services. It provides assistance to both external and internal customers, and not just with service-related activities. It handles queries regarding repairing of different types of ICT equipment (computers, notebooks and servers) and peripherals (printers, scanners and UPS), provides HW and SW procurement consulting, HW equipment upgrade, realize equipment installation and consequent preventive checks, installation and maintenance of operating systems – all of that by means of remote, as well as local service support in the entire territory of Slovak Republic.

Business Unit Finance

Asseco Central Europe has more than fifteen years of experience in the financial segment. It has implemented a number of projects and developed several unique solutions for banks. One of them is the information system **StarBANK** which automates all retail and wholesale operations and provides a comprehensive set of reports, controlling and intra dealing. **eStarBANK** is a portal solution that enables the use of electronic distribution channels ensuring all basic retail functions for remote clients (Internet banking, home banking, mail banking and GSM banking). The Company's portfolio further includes solutions designed to support the administration of available funds and trading on financial and capital markets. That is the **StarTREASURY** solution which provides automation of such activities from the implementation of transactions up to the outcome in the general ledger. It is a tool which is not only suitable for investment companies, but also for companies which just need to manage their own funds and investments.

StarCARD® enjoys a unique position in the Company's product portfolio. It is a full information system supporting pay card transactions for banks and processing centers. It includes authorization support, clearing and transaction settlement and dealer administration. An integral part of the system is application software for end devices, ATMs, and POS terminals. Based on the success of the StarCARD® solution, the processing center DanubePay (a new subsidiary) was founded within the Asseco Central Europe Group in 2012.

The Company has developed the **StarBUILD** solution for the needs of building savings banks. This complex banking information system fully covers the individual business processes of the building savings bank. Apart from the core banking system, it also contains a wide portfolio of additional modules which are well integrated into one unit. The maximum integration of individual modules in a single complex solution brings a significant reduction in the costs of HW, standard SW licensing (operating systems, databases) and the maintenance thereof.

Asseco CE´s proprietary solutions for financial segment can be found in international banks as well as smaller local financial institutions like Slovenská sporiteľňa (member of ERSTE Group), Poštová banka, EXIMBANKA SR, Wüstenrot hypoteční banka, Wincor Nixdorf, GE Money Bank, Českomoravská hypoteční banka, Českomoravská záruční a rozvojová banka, J & T Banka, UniCredit Bank Slovakia, OTP Banka Slovakia and Analytik Finanční trhy. The Company has achieved a dominant position on the market of building societies in the Czech Republic. Its StarBUILD solution is implemented in four out of five building societies (Wüstenrot stavební spořitelna, Českomoravská stavební spořitelna, Modrá pyramida stavební spořitelna and Stavební spořitelna České spořitelny).

Business unit Healthcare & Insurance

Asseco Central Europe offers a wide range of solutions for the healthcare segment, both standardized software products and complex solutions developed according to the specific needs of the customers. Mediform and ZPIS are among the solutions targeted at health insurance companies. **Mediform** covers the most important processes in an insurance company, e.g. IS administration, dials and catalogues, client registers, receipt and claiming of insurance premium, annual accounting, payment processing of healthcare costs, medical revision of costs and refunding of costs of insured persons from the EU. Accounting is a part of the system. **ZPIS** is a centralized multi-tier information system (IS) for health insurance companies (HIC). It includes complete application program facilities for the administration and support of activities of a health insurance company. It is built on the extensive experience in developing and improving systems for health insurance and contains the latest modern technologies. It is a universal modifiable system based on relational database technology. The IS is integrated with an Internet portal and electronic registry for contact between the customer and their clients and partners. The IS can be connected to other support systems (ERP, MIS, call centre, etc.).

The portfolio of Asseco Central Europe also includes information systems for commercial insurance companies. Its comprehensive information system **StarINS** automates all front-office and backoffice operations including personal, property and liability insurance as well as life, health and pension insurance. The system operates as an independent product for electronic distribution channels. **SofiSTAR** is a production information system for management of pension funds. The system provides for front-office and back-office activities with a high degree of process automation and Internet access of clients to their personal pension accounts and automatic processing of electronic documents related to pension savings.

The third and last area under Business Unit Healthcare & Insurance is business intelligence. During software development, the Company developed in this field from initial reporting tasks via dashboards and ad-hoc analysis to advanced methods of datamining and predictive decision-making. Our product **StarBI** is either provided as a turnkey solution or by customizing modules prepared in advance. The solution uses standard BI platform and databases (IBM, Microsoft, Oracle and SAS). Asseco Central Europe offers a wide range of solutions for monitoring and evaluating profitability (of products, customers, sales channels), automating reporting for internal or external environment (regular reporting, ad hoc outputs), in-depth analysis of data through data mining tools and dealing with tasks such as for instance detection of fraud (insurance, government revenue - taxes), cross-selling, subsequent sales, customer segmentation and other types of tasks. The **AQS** (Asseco Quality Services) solution is used to consolidate data and transfers thereof among heterogeneous systems by combining a software product, methodology and related services designed to implement migrations, consolidations and data cleansing. A part of the business intelligence offer is the solution **StarSTAT** which is suitable for all types of companies whose employees are engaged on a regular basis in acquiring, editing, processing and creation of generated data. It is a versatile reporting tool but it also offers pre-loaded functionality to comply with reporting obligations to financial market regulators of banks, insurance companies, leasing companies and other financial institutions.

The most important clients of the Healthcare & Insurance Business Unit include ministries (Ministry of Health of the Slovak Republic), specialized health institutions (National Health Information Center (SK), Institute of Health Information and Statistics of the Czech Republic), owners and operators of regional healthcare networks (Svet zdravia (SK)), health insurance companies (Česká průmyslová zdravotní pojišťovna, Oborová zdravotní pojišťovna zaměstnanců bank, pojišťoven a stavebnictví, Revírní bratrská pokladna, zdravotní pojišťovna, Union zdravotná poisťovňa, Všeobecná zdravotná pojisťovňa, Vojenská zdravotní pojišťovna České republiky, Zaměstnanecká pojišťovna Škoda), commercial insurance companies and pension funds management companies (Allianz – Slovenská poisťovňa, Pojišťovna Všeobecné zdravotní pojišťovny, STABILITA d.d.s., VÚB Generali dôchodková správcovská spoločnosť, Wüstenrot neživotní pojišťovna, Wüstenrot životní pojišťovna, ČSOB Penzijní společnost) and banks (Českomoravská hypoteční banka, Českomoravská záruční a rozvojová banka, J&T Banka, UniCredit Bank Slovakia, OTP Banka Slovakia, Wüstenrot Hypoteční banka), Fakultná nemocnica s poliklinikou F.D.Roosevelta, ambulances and general practitioners).

Business Unit Public

Systems for public administration developed and implemented by the Business Unit Public are the major fields of interest of the Company in addition to solutions for commercial entities. In the area of solutions to central public administration, Asseco CE specializes in the creation and delivery of such solutions which cannot be carried out by conventional means and instruments without a large amount of creative work. A significant advantage of the Company is the ability to design and implement systems for processing large volumes of data with sophisticated transactional logic as well as special portal solutions with form interface intended for public administration that are implemented with cross-linking to key components of eGovernment. A specific offer to public administration is the design and delivery of complex systems for government that includes hardware, network infrastructure and specialized heavy duty applications with guaranteed high availability for the specific needs of government-type central registers, business registers, supervisory systems for the distribution of government benefits and subsidies or budgetary information systems for processing and publishing of large data files on platforms Informix or Oracle using WebLogic application servers and Geocluster RAC topology and Java development environment.

The largest projects undertaken in this area include delivery of solutions for ministries (Czech Ministry of Transport, Slovak Ministry of Transport, Construction and Regional Development, Czech Ministry of Finance, Czech Ministry of Interior, Czech Ministry of Justice, Czech Ministry of Health), but we also cooperate with the Slovak Supreme Audit Office, Czech and Slovak Central Statistical Offices and many other authorities or institutions such as the Central Securities Depository of the Czech Republic, Central Securities Depository of the Slovak Republic, the Czech Social Security Administration, Financial Administration of the SR, the Czech Surveying Office, the Senate, Road and Motorway Directorate of the Czech Republic, EXIMBANKA SR, Česmad Slovakia and Slovak Tourism Agency.

A special area of competence of Asseco CE is Transport Telematics which includes mainly **Intelligent Transportation Systems** (ITS). This solution allows a more efficient use of existing transport infrastructure, improving traffic flow that enables savings in time and fuel. The result of the introduction thereof is also a decrease of negative environmental impacts.

The Company's portfolio for the public segment contains the solution **StarBI*G** in the area of business intelligence which is an extension of the data from production systems and other reference data sources (record-keeping DB, etc.). It allows to generate statistical analysis and forecasting, data analysis by OLAP technologies and to prepare data as a basis for support of decision-making. The solution is pre-packaged for the field of economy, transport, education, subsidies and so forth. Another product of this group is **StarECM** – a modular information system that allows management of all the aspects of record-keeping the flows of documents, quick search, procedural processing and archiving of documents and information.

Business Unit IT Infrastructure & Integration

Business Unit IT Infrastructure & Integration provides a wide range of services and solutions for internal and external customers. It focuses on the comprehensive support necessary for the application of projects of other Business Units in the following areas:

- Supply of hardware, software licenses, network infrastructure, installation and support of customer environment (one of the largest clients in this area is the Czech Social Security Administration),
- Technical design of the application solution,
- Design, implementation and support of technical solution through all layers of infrastructure - servers, disk arrays, networks, operating systems, database systems, middleware and application servers, the presentation layer (the most important references in this area include the Czech-Moravian Building Society, the Czech Statistical Office and the Supreme Audit Office of the Slovak Republic),
- Design, setup and operation of development and test environments,
- Comprehensive outsourcing of services for external customers (Škoda Praha Invest, a member of the ČEZ group) - servers, disk arrays, firewalls, backup, operating systems, databases, workstations, application management,
- Complex operation of system solutions for basic registers for RPP and ROS registers supplied by us,
- Comprehensive operation of solutions of the information and communications interfaces of the Czech Social Security Administration/ e-Portal,
- Comprehensive operation of solutions of Emergency Information Management System of the capital city of Prague,
- Call Centre (Helpdesk) for external customers.

Business Unit IT Infrastructure & Integration also operates internal information systems of Asseco Central Europe.

Business Unit ERP

Within the composition of Asseco CE, the competence in the field of corporate information systems is supplemented with SAP consulting services. The main focus is the provision of consulting services in the field of implementation of the complex economic information system SAP ERP and introducing and selling SAP ERP and software solutions such as SAPCRM, SAP SRM, etc.

6 SHAREHOLDER´ STRUCTURE OF ASSECO CENTRAL EUROPE, A. S.

According the information available to the Board of Directors following shareholders exceeded the 5% share as at 31 December 2013 and 4 March 2014:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland, S. A.	19,973,096	19,973,096	93.51

The share capital of the Company as at 31 December 2013 was equal to EUR 709,023.84 and was divided into 21,360,000 bearer’s shares with a nominal value of EUR 0.033194 each.

7 PERSONNEL INFORMATION AND POLICY

Asseco CE is one of the major employers in the IT field in Slovakia. The personnel policy of this Company is based on the principles of honesty, transparency, respect, integrity, personal responsibility and trust. In practice this means the daily integration of these principles into the running of the Company, its behaviour and communication towards external and internal environment.

Given the focus of the Company, the highest percentage of employees are developers. Software engineers, analysts, system and database specialists, testers, project experts and consultants represent more than 90% of the total number of employees. The model based on the transfer of experts - business consultants directly into production divisions to connect developers and consultants to support the preparation and delivery of solutions to our customers has been successful.

The age structure of employees has traditionally been balanced. More than 60% of employees in Slovakia are among 20 to 40 years of age, almost a quarter of employees are under 30 years of age. However, the Company also employs graduates and employees over 50.

In the area of cooperation with universities, Asseco CE works both directly with academia and with student organizations. In 2013, Company became a partner of the educational student organization AIESEC Bratislava. In addition, it is an active contributor in the contest Global Consulting Program carried out by the University of Economics in Bratislava and prepares expert lectures for FIIT, FEI STU and the Pan-European University.

7.1 Employment structure in the Asseco Central Europe

Number of employees	31 Dec 2013	31 Dec 2012
Board of Directors of the Parent Company	3*	5
Production departments	319	339
Sales departments	5	6
Administration departments	20	22
TOTAL	**347**	**372**

* does not include two members (R. Levíček and D. Stoppani) employed in Asseco Central Europe /CZ/.

8 MARKET POSITION

8.1 Information technology market and future outlook

European and local market

The European IT market has remained clearly behind expectations in 2013. And 2014 will certainly bring no major acceleration. However, a progressive recovery will start during the year, earlier or later depending on the country," said Christophe Châlons, chief analyst at Pierre Audoin Consultants (PAC).

IT spending expected to accelerate this year, after emerging markets slowdown in 2013. PAC revealed that 36% of European businesses will spend more on digital transformation in 2014 than in 2013. It also revealed that 48% will spend more on mobile devices and apps, and 37% will spend more on business intelligence software.

Market conditions are gradually improving in Western Europe, where overall IT spending is on course for growth of 2% this year (1% excluding phones), and where economic momentum has taken a turn for the better in many countries. PAC assumes that this gradual recovery will continue next year, translating into IT spending growth of 3% driven mainly by strengthening sales of commercial software.

Momentum in developed economies has been broadly positive since the start of 2013. The gradual turnaround in Europe is restoring business confidence, leading to a strengthening of PAC´s assumption that next year will be better than this year for most IT vendors.

Forrester Research expects Europe to grow just 1.5-3% in 2014. Growth will be strongest in Scandinavia, the UK, Ireland and Poland, with estimated increases of around 3%. Markets such as Germany, France, Belgium, Switzerland and Austria will grow a more modest 1.5-2.5%.

Forrester also predicts strong growth in Latin America, Eastern Europe, the Middle East and Africa, while growth will slow in the BRIC countries. By market segment, the researcher expects strength in SaaS, mobile, big data and smart apps to streamline business processes.

According to IDC, the Czech market can be expected to increase spending on hardware, software and services until at least 2017. Predictions are on the growth of almost all segments, but some, such as regular phones and printers, will continue to decline. Increase significantly the example segment of smartphones and tablets, and across all vertical markets. This segment in 2013 contributed most to the growth of the IT market in the Czech Republic. This is related to the growth of the consumer market, which is a 17%

share of the expenses of the second largest IT segment in the country. According to analysts, will go also the fastest growing market in 2017.

The field of servers will also thrive. Virtualization, data center development and pressure to consolidate server hardware increases the demand for a higher grade of low-end servers and midrange servers.

According to analysts, mobility and online shopping has been changing the retail market in the Czech Republic and retailers are fighting to get the attention of increasingly cautious customers. They are, therefore, trying to gain a competitive advantage by new investments in IT. Economic recovery in Europe will also increase demand for domestic exports and there is a push to improve production efficiency which often leads to investments in information technology.

As of the end of the last year, financial resources from EU structural funds were drawn in Slovakia to the tune of EUR 5.8 billion which represents nearly 51% of the allocation for the years 2007 - 2013. Almost EUR 10.5 billion of the funds had got under contract during the seven years, i.e. more than 91% of allocated funds. A significant event was approval of an exemption for Slovakia in November last year based on which the period during which the country can draw money from the EU commitments for 2011 and 2012 got extended by a year, i.e. to three years instead of two years (until 2015). The result of this was virtual elimination of the risk of under-execution of EU funds in 2013.

Members of the Slovak government also agreed to accelerate the implementation of lagging operational programs (OPs) Research and Development, Education, Information Society, Transport and Environment. They approved a modification of the form and content of action plans to accelerate spending and implementation of the OPs as well as a modification of the frequency of submission of indicative plans of contracting and of drawing funds from the EU.

Not just Slovakia but also Romania obtained an extension of the deadline for drawing of EU money but the Czech Republic and Bulgaria that applied for it later failed to obtain such an extension. The Czech government is currently preparing an emergency plan.

The new Minister of Regional Development of the Czech Republic Věra Jourová presented an analysis of spending EU funds in the period 2007 to 2013. She subsequently said at a press conference that Czechs managed the funds in a way that was "absolutely the worst of all European countries." The balance of refunds or under-execution of funds in the Czech Republic last year was at ten billion crowns (about 363 thousand EUR), while the volume of unspent funds throughout the EU amounted to 16 billion crowns. According to Jourová, the country risks losing up to 24 billion crowns this year, mainly in the OP Environment and OP Research and Development for Innovation. The Minister of Regional Development stated that the causes of the situation included poor financial planning, inadequate inspection system and also problems connected to award of public contracts. The Czech government has therefore instructed the individual ministries to prepare emergency plans which should prevent further losses.

8.2 Position of the Company in the IT sector

Asseco Central Europe and its subsidiaries won several major awards in 2013. The Company has ranked high in the Trend TOP in ICT ranking compiled by the weekly Trend each year. It scored again in 2013 and remained No. 1 in two categories (IT Service Providers in Slovakia, Top IT Suppliers to Private Financial Sector). For several years in the row, the Company has also dominated the category of IT Service Provides in Slovakia. A more detailed overview of the Company's ranking is presented in the table below.

Category	Ranking
IT Service Providers in Slovakia	1.
TOP IT Suppliers to Private Financial Sector	1.
TOP IT Suppliers to Public Sector	2.
TOP IT Suppliers to Utility Companies	5.
TOP IT Suppliers to Services Providers	5.
Software Houses in Slovakia	3.
ICT Companies with the Highest EBITDA	2.
Suppliers of Information Technologies in Slovakia Ranked by Added Value	2.
Suppliers of Information Technologies in Slovakia Ranked by Sales	5.
The Fastest Growing Slovak IT Companies	3.

Source: Trend TOP in IT, the weekly Trend, May 2013

Last year, the Company placed well also in the rankings of TOP companies and organizations operating in Slovakia in various fields of business and non-profit sector. The most important ranking - **Trend TOP 200** – saw Asseco Central Europe at the 108th position. Only two IT companies – Eset and HP Slovakia – enjoyed better rankings than that.

Here is a summary of some additional successes of Asseco CE:

- **1st place** in the ranking **"IT Service Providers in Slovakia"**,
- **5th place** in the ranking **"The Largest Supplier of Information Technology in Slovakia"**,
- **5th place** in the ranking **"The Fastest Growing IT Companies in Slovakia"**,
- **19th highest return on sales** among all companies doing business in Slovakia,
- Asseco CE was the **31st** among **largest companies according to added value**. The Company thus ranks among companies that significantly contribute to the national GDP.

9 NEW PROJECTS, PRODUCTS AND SERVICES

Asseco in the role of core system supplier and system integrator of the central banking system of the Czech-Moravian Building Society (ČMSS)

In June 2013, Asseco CE extended its contract for supply of a comprehensive information system StarBUILD including data migration from the old IBP system for the Czech-Moravian Building Society by implementation of CRM, ODS and systems integration assuance. The original contract for the supply of StarBUILD was signed in July 2012 after a successfully executed Proof of Concept at the end of 2011 and beginning of 2012. The new project is planned for 30 months. Czech-Moravian Building Society (ČMSS) is the largest building society in the Czech Republic and the second largest building society in Europe. By signing this contract, the Company obtained as a client the fourth of the five building societies in the Czech Republic. This strengthened the dominant position of the product StarBUILD on the market of building societies in the Czech Republic.

Czech Statistical Office - Delivery of key elements of the statistical information system (SIS)

The contract is for the analysis, design and delivery of detailed architecture of SIS, development, delivery and implementation of the various functional blocks and the integration thereof into the existing customer environments. The work includes the training of the SIS users, providing testing and pilot operation of the system and the optimization of its routine deployment where the project completion is scheduled for 31 May 2014. A contract for comprehensive service support, maintenance and user support of the various components of the SIS was signed at the same time for a period of 36 months.

The CSO expects that the deployment of the new information system will provide an environment promoting the integration of processes, tools and technologies used in the assessment of user requirements, preparation and processing of statistical tasks, analyzes and publishing of statistical information and the use thereof in a parameterized digital environment of digital information of eGovernment of the CR.

External Analytical Portal for the Vysočina Region

In February 2013, the Company launched an external analytical portal which is part of the successful completion of the project "Extending the Data Warehouse of the Vysočina Region" designed for the needs of citizens and other organizations. The site https://analytika.kr-vysocina.cz allows dynamic creation of reports and analyzes using data from the Regional Office of the Vysočina Region: Economy, EU Subsidies, Subsidized Organizations, Statistics, Safety and Registries. The portal is a "public gateway" into the data warehouse of the Vysočina Region which has been built for several years. As the Vysočina Region has long been a technology leader in the modernization of public administration at the regional level, this project serves as a pilot project for other regional offices.

Card for Public Services in Silesia in Poland

mBank (formerly BRE Bank) Poland chose the company DanubePay as a provider of transaction, authorization and settlement services in the project Cards for Public Services in Silesia. It is a long-term 5-year innovative project financed by EU structural funds. It is unique in Poland and allows the use of various paid services for people across the region such as urban and regional transport, culture, sport and recreation, library services and paid parking. It will be used by 120 institutions in 21 cities and towns.

e-Portal of the Czech Social Security Administration (ČSSZ)

This is a project of building an Information and Communication Interface (ICI) of the ČSSA which Asseco Central Europe has been preparing for about 15 months. As the prime contractor, Asseco CE has been responsible for the architecture of the entire solution and delivery of its main components. The main objective of the project was to expand the possibilities of electronic communication of the ČSSA with clients through a new e-Portal into which it is possible to easily implement other services. The portal should also facilitate the work of staff of the ČSSA as it offers a new user interface and electronic filing. When designing the ICI, the Company based it on the experience from the project of developing a system of basic registers, especially the Register of Rights and Obligations and the Register of Persons. Its proposal of ICI is fully in line with the trend of eGovernment and is built on modern technologies of service-oriented architecture (SOA).

mHOSP to Support Hospital Care

In early 2013, an international team was formed, composed of representatives of the companies GlobeNet, Asseco Poland and Asseco Central Europe to carry out the design, development and implementation of a mobile application to support hospital rounds and running hospital wards as a whole. At first, the functionality and the logical operation of the whole application was specified, followed by development. Currently, the application is ready for iOS, Android and Windows 8. While the development of the first two mentioned platforms was primarily done in Poland, the third phase was moved to Slovakia, namely to Banská Bystrica and Košice. Testing the application in practice and its first implementation took place in a hospital in Hungarian Miskolc, in the department of vascular surgery. Initial discussions are currently underway on the pilot implementation in Slovakia and the Czech Republic and several implementations in Poland. We believe that in the near future it will be possible to meet doctors in our hospitals who do not carry piles of paper to the rounds but only use a tablet which runs the mHOSP application whose functionality significantly facilitates and improves the transparency of the work of health professionals.

The Slovak Supreme Audit Office - Development of the Audit Information System (AIS)

The project Development of SAO SR AIS introduces new electronic services within the SAO SR AIS system, ensuring better interaction between the SAO SR and the public, better public awareness of the activities of SAO SR and in addition the effectiveness of audit of the audited entity will increase. It also extends the functionality of existing modules of the information system. The project has as an ambition to increase the level of disclosure of the results of inspection activities, improve efficiency and availability of supervisory processes and increase transparency in the functioning of the Office so that it is in accordance with international auditing standard as much as possible.

The contract covers the analysis, design, development, testing, implementation and training for the various information systems and their integration into existing customer environment. Part of the contract is project management and procurement and deployment of hardware and software licenses. Project completion is scheduled for 31 October 2015.

Implementation of SEPA Payment Standards for Poštová banka Slovensko

Poštová banka Slovensko implemented in cooperation with the banking division of Asseco CE the SEPA payment standards in its core banking information system and the payment processes of the bank. As one of only a few banks in Slovakia, Poštová banka did not in any way restrict their clients by shutdown of the systems in the transition to SEPA payment standards.

10 ANALYSIS OF FINANCIAL RESULTS OF THE ASSECO CENTRAL EUROPE, A. S.

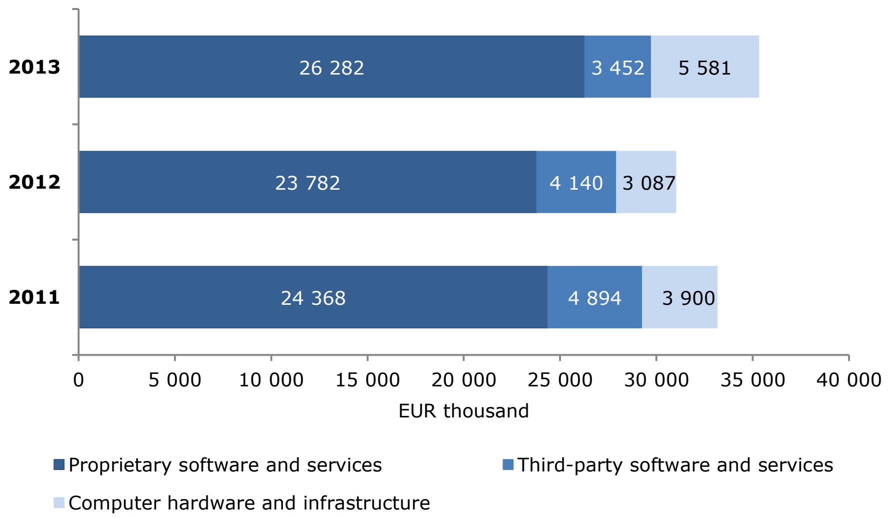
In the last three financial years ended 31 December 2013, 31 December 2012 and 31 December 2011, Asseco Central Europe, a. s. (the "Company") posted the following financial results:

EUR thousand	2011	Margin	2012	Margin	2013	Margin
Sales revenues	33,162	*N/A*	31,009	*N/A*	35,315	*N/A*
Operating profit	6,632	*20.0%*	5,924	*19.1%*	6,126	*17.3%*
Pre-tax profit	12,978	*39.1%*	13,616	*43.9%*	15,457	*43.8%*
Net profit for the period	11,687	*35.2%*	12,463	*40.2%*	13,994	*39.6%*

The Company reported growth in sales by 13.9% in 2013 on year-on-year basis ("y/y"), compared to a 6.5% drop in 2012 y/y. A more detailed analysis of revenues reveals that the core revenues from proprietary software and services increased by 10.5% in 2013 y/y, in comparison to drop by 2.5% in 2012 y/y. Sales from third-party software and hardware dropped by 16.6% and 15.5% respectively y/y.

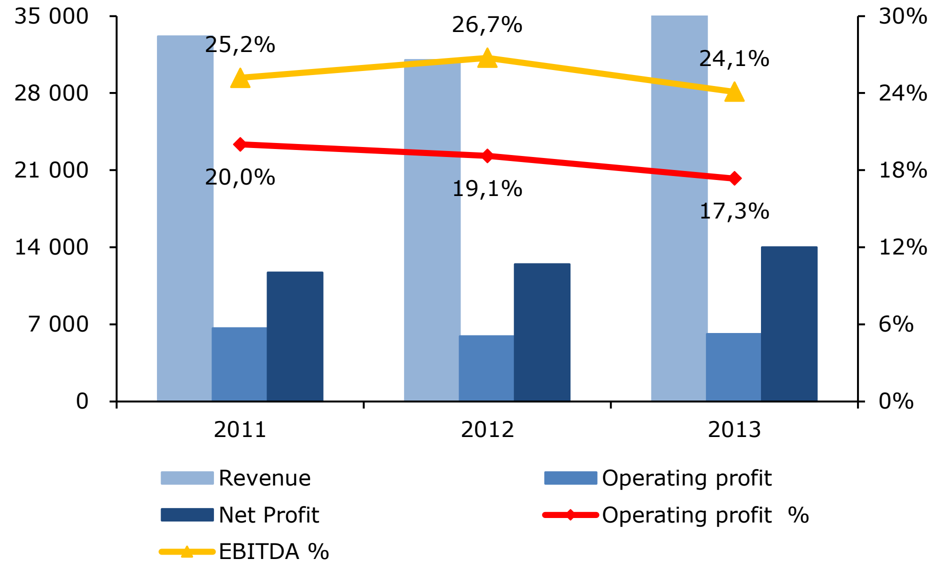
The Company's results were still adversely influenced by the business environment in Slovakia. General cost savings trends resulted in continuous price negotiations in both public and finance sector. Re-negotiated contracts include lower monthly fees, lower man-day rates and lower number of change requests.

Structure by type of revenues



Operating profit of the Company slightly increased by EUR 0.2 million in 2013 y/y. This positive results was achieved mainly due to EUR 0.6 million growth in gross profit on sales and additional savings in S&GA area in the amount of EUR 0.4 million in 2013 y/y.

The lower net impact from of accounting operations (provisions, write-offs, allowances, etc.) in 2013 by EUR 0.8 million resulted in increased operating profit by EUR 0.2 million in 2013 y/y.



Given the relatively stable operating performance in the analysed period, the reported changes in net income were driven mainly by results from financial activities. In 2011 dividends received accounted for EUR 6.2 million of net profit for the period of EUR 11.7 million, while in 2012 the higher dividends in amount of EUR 7.4 million contributed to increase of net profit to EUR 12.4 million. In 2013 dividends received in amount of EUR 9.2 million contributed to the net profit of EUR 14 million.

Financial position of the Company

EUR thousand	As at 31 Dec 2011	Share on total	As at 31 Dec 2012	Share on total	As at 31 Dec 2013	Share on total
PP&E and other non-current assets	1,314	1.08%	2,150	1.10%	1,507	1.29%
Intangible assets	13,299	10.96%	11,373	11.00%	9,446	8.06%
Financial investments	62,348	51.38%	64,759	51.40%	64,758	55.26%
Current assets, excluding cash	27,182	22.40%	17,730	22.40%	25,196	21.50%
Cash and cash equivalents	17,209	14.18%	12,737	14.20%	16,271	13.89%
Total Assets	**121,352**	100.00%	**108,749**	100.00%	**117,178**	100.00%
Equity	101,244	83.43%	99,609	83.40%	103,564	88.38%
Interest-bearing debt[1]	29	0.02%	8	0.00%	0	0.00%
Other non-interest bearing liabilities[1]	20,079	16.55%	9,132	16.50%	13,614	11.62%
Total Equity and Liabilities	**121,352**	100.00%	**108,749**	100.00%	**117,178**	100.00%

Note 1: the figure includes both current and non-current portion of liabilities.

Financial indicators

Net debt	(17,180)		(12,729)		(16,271)	
Net liabilities	2,899		(3,597)		(2,657)	
Net liabilities to Equity	3%		(4%)		(3%)	

In 2011, the Company increased its ownership interest in Statlogics from 70% to 85% for a consideration of EUR 0.7 million. Owing to the both (i) worsened macroeconomic situation in Hungary and (ii) lower than budgeted performance, the Company recognized impairment on its investment in GlobeNet in amount of EUR 1.6 million as at 31 December 2011.

In 2012 the Company acquired remaining shares in both Statlogics (15%) and Globenet in two tranches (10% and 30%) for the total consideration of EUR 3.8 million. Apart from that investments, the net impact from dividends was negative in amount of EUR 6.3 million. Amortization of software licences acquired in previous periods resulted in the decrease in intangible assets by EUR 2 million.

In 2013 both tangible and intangible assets decreased mainly by the amount of regular depreciation and amortization in the total amount of EUR 2.6 million. Higher volume of trade receivables by EUR 8 million was the main driver of the growth of current assets in y/y comparison.

Net working capital calculated as a difference between non-financial current receivables and payables indicates a self-sufficient financing of operating cycle of the Company. Further to that, virtually zero indebtedness and a stable level of accumulated retained earnings confirm a healthy capital structure of the Company in the analyzed period.

Cash-flow analysis

EUR thousand	2011	2012	2013
Cash-flow from operating activities	4,456	7,899	421
Cash-flow from investing activities	6,076	1,750	13,158
Cash-flow from financial activities	(4,773)	(14,121)	(10,045)
Change in cash for the period	**5,759**	**(4,472)**	**3,534**
Cash and cash equivalents, beginning of period	11,450	17,209	12,737
Cash and cash equivalents, end of period	17,209	12,737	16,271

Higher amount of trade receivables and paid advances as at the end of 2013 contributed mostly to significant decrease of cash-flow from operating activities in 2013 y/y.

Cash-flow from investing activities represents outlays spent on acquisition of shareholding interests (and proceeds from disposals of shares) and cash collection of dividends from subsidiaries. In 2011 non-controlling interest in Statlogics was acquired and cash from dividends of EUR 5.8 million was collected. In 2012 the Company maintained the positive result from investing activities with EUR 7.7 million dividends received and EUR 3.8 million were spent on the non-controlling interests in both Hungarian companies. Short term investments used as bank deposit in net amount of EUR 4.4 million are presented as an outflow in investing activities. In 2013 the investing activities served as the main source of financing of the Company. Apart from dividends received (EUR 8.8 million) net loans collected (EUR 2.2 million) and proceeds from sale of investments in Uniquare (EUR 2 million) contributed to highly positive net cash provided by investing activities in 2013.

Cash-flow from financial activities summarizes cash paid in dividends to shareholders of the Company (EUR 4.7 million in 2011, EUR 14.1 million in 2012 and EUR 10 million in 2013).

Analysis of concentration risks

Sales revenues to the following customers exceeded a 10% share on total sales of the Company in year 2013: Všeobecná zdravotná poisťovňa, a. s. and Českomoravská stavební spořitelna, a. s.

There are no suppliers exceeding 10% share in total revenues of the Company.

11 DESCRIPTION OF SIGNIFICANT RISKS AND THREATS

Market risks

Risks associated with the macroeconomic situation in the markets where the Company operates

Unpredictable development of the markets, mainly because of still appreciable effects of the global financial crisis, uncertain economic growth, decline in business investments in the previous periods which may repeat in future, decline in public procurement due to budgetary restrictions or increase in inflation can have a negative impact on the activities and financial situation of the Company, its financial results and prospects of development. In the same way can the Company effect changes in the way of adoption, interpretation and application of legislation - any changes in legislation, especially in the field of taxation, labour and social security. Especially adoption of legislation, when some of the activities provided by the private institutions will be eliminated and moved to the State responsibility (health insurance, social security and pension insurance and selected banking activities) may lead to adverse changes of our business.

Adverse changes in exchange rates, but clearly slowed by the introduction of euro in the Slovak Republic, especially in the case of Group companies that operate in the euro area and mostly invoice in euro could affect the actual amount of revenues from the projects.

Risks related to the increased competition in the IT market

The IT market in Slovakia, as well as in other Central and Eastern European countries, is rapidly evolving and becoming increasingly competitive. Competition is generally based on products' functionality, range of service offerings, customer service and price. Increasing competition on the IT market can have a negative impact on the ability of the Company to obtain new projects, which can result in reduction of profit margins and lead to a reduction in market share.

Risks linked with the development in the financial sector

Most of the Company's customers are customers from the financial sector, development in this sector will have an impact on the results of the Company.

Risk of becoming dependent on the key customers

Our business is highly dependent on new projects acquisitions from existing as well as new clients. With the growth of our services, including new segments and regions, our dependence on main projects is decreasing, however it remains significant. Dependence on major customers, few big projects and any difficulties in obtaining new projects may have an adverse impact on the Company's activities - each loss of an important project, which is not offset by revenue from new or existing projects may affect adversely the operation activities, forecasts, financial results and situation of the Company.

Risk associated with the failure in successful development and introduction of new products and services

The market for our products and services is characterized by rapid technological advances, changes in customer requirements and evolving industry standards. Thus, in order to remain competitive and increase our operating revenues, we must successfully introduce new products and services, or develop enhancements to and new features for our existing services, in a timely manner. Otherwise, our product and service offerings may become obsolete, less marketable and less competitive and our business will suffer. Failure in the successful development and introduction of new products and services may adversely affect the business, prospects, results of operations and financial condition of our Company.

Regulatory and legal risks

Risk of changes in regulations and their interpretation

Asseco Central Europe SK was founded and operates in accordance with Slovak legislation. The Company is listed on the Warsaw Stock Exchange and is subject to the relevant legislation valid in Poland, which is available in Polish or English language. Furthermore, there is a risk of non-compliance of Polish or Slovak legislation with the legislation of the country where subsidiaries operate. There is an additional risk from not assessing the current situation of a subsidiary correctly from the public point of view. Interpretation of laws of a foreign legal system, with the inaccuracy of interpretation gives rise to the regulatory risk occurring in the environment in which Company operates.

Operating risks

Risk of losing the customers' trust

Most of the projects realised by the Company involve creating and providing to our clients' complex IT solutions. The complexity of these projects results in the risk of not meeting the contractual deadlines. There is also a potential risk that we will not be able to achieve all the targets set by our client in a given project. We are only partially able to manage this risk, since the development of solutions and thus the ability to provide them within the agreed milestones and business targets depend to a large extent on our clients and sometimes also on third parties, like state authorities in the case of some legal framework changes which influence our solutions. There are some typical contractual penalties or indemnification clauses involved in most of our agreements.

There is also a risk that not meeting certain deadlines or business or other targets set by our clients may result in worsening our relations with a particular client even if it will not result in any contractual penalties.

There is also a risk of undue performance of our solutions provided to our clients, even some time after the project is successfully closed. We try to manage this risk by implementing several testing procedures, both our own and those of our clients; however we are not able to manage fully this risk, and in particular we are not able to insure this risk.

Possible payment of contractual penalties, worsening our relations with a particular client or undue performance of our solutions may, to a certain extent, adversely influence the business, prospects, and results of operations or financial condition of our Company.

Risk related to adjusting our products to changes in law which may cause significant costs

The solutions we implement for our clients have to be in compliance with existing laws. As changes of law occur quite frequently in Slovakia and other CEE countries, we may be obliged to implement certain amendments to our solutions. On the basis of some agreements concluded with our clients, we are usually obliged to adjust our solutions in a very limited scope to the changing laws within the maintenance fee. More complex adjustments are made on a remuneration basis. In the process of budgeting we assume the potential consequences of changes in law. We cannot definitely exclude the risk that we may be subject to some financial losses in future due to the performance of these adjustments.

Risk related to limitation of cooperation with us by our main suppliers

Relationships with worldwide, well-known suppliers provide us access to the best technology supporting our competitive position on the market. As with all IT solutions providers, we may face the risk that one of our big suppliers, e.g. Microsoft or Oracle, may stop supporting a particular technology used in some of our projects. In our opinion, such steps are untypical for our business environment and, if they do happen, are always announced several years ahead and therefore there is a sufficient period to adapt. However, in the event that our main suppliers stop providing us their technologies and we would not be able to substitute them with other alternatives, we may face negative consequences on the business, prospects, and results of operations or financial condition of our Company.

Risk related to difficulties on the side of our sub-contractors

In some cases we provide our clients with solutions developed by our sub-contractors. The sub-contractors are in general obliged to service the solutions delivered by them. Our sub-contractors, in common with businesses generally, may face business and financial difficulties resulting in their becoming unable to fulfil their service obligations. This may negatively impact our credibility among our clients and adversely affect our business, prospects, and results of operations or financial condition.

In some particular projects having a role of integrator for the whole solution, we are not only responsible for our sub-contractors, but also for all other parties involved in the project, provided their solutions were chosen or recommended by us. In such cases any undue performance of the third-party solutions may also influence negatively our projects. This may adversely affect the business, prospects, and results of operations or financial condition of our Company. We protect ourselves from these adverse effects to some extent by implementing similar contractual penalties to agreements with our subcontractors as are contained in our agreement with the client. We also try to take part in key development works, may it prove to be ensuring the successful execution of the integration project.

General risks of acquisition of companies

We closed several acquisition transactions. There is a risk that the post-merger integration process will not be successful and some of the targets will not perfectly fit into our Group strategy.

Risk related to carrying out of public tenders

Our Company plans also in the future to participate in projects of the public sector, some of them co-financed from Operational programs of EU. Delay or restrictions of any kind of these projects could have an adverse effect on our business, prospects, and results of operations or financial condition.

<u>Risks associated with the management of Asseco Central Europe</u>

Our controlling shareholder has the ability to take actions that may conflict with the interests of other holders of our Shares.

The number of members of the Supervisory Board, which elect employees according to relevant provisions of the Statute, may not be consistent with the law.

Insurance policy may not cover all risks.

Rapid growth and development can lead to difficulties in obtaining adequate managerial and operational resources.

Company is dependent on key personnel, and their loss could have an adverse effect on the execution of IT contracts conducted by the Company, as well as on ensuring the required quality and range of services provided. At the same time, Company also faces the risk of persistence of difficult availability of IT professionals in the labour market.

Board of Directors members may take actions that may conflict with the interests of Supervisory Board members. Board members who resign, may require compensation.

Integration of management processes in the Company may be incorrectly interpreted and cause divergent decisions.

Polish courts issued rulings against the Company may be more difficult to apply in Slovakia than it would be if the Company and its management were in Poland.

Shareholders from Poland may have difficulty with the exercise of rights under the Slovak legislative.

Investors may not be able to sell shares of the Company at the expected price or the expected date due to the lack of an active or liquid market.

Excess supply of the Company shares on the stock market may have an adverse impact on their price.

12 SIGNIFICANT EVENTS AND ACHIEVEMENTS OF THE ASSECO CENTRAL EUROPE, A. S.

General Shareholders Meeting

The Ordinary General Shareholders Meeting of the Company held on 10 April 2013 passed a resolution on the appointment of Mr. Przemysław Piotr Sęczkowski as member of the Supervisory Board of the Company.

Ordinary General Shareholders Meeting held on 10 April 2013 further approved consolidated and standalone financial statements of Asseco Central Europe, a. s. (SK) and a distribution of net profit for financial year 2012. The dividends were paid out in the total amount of EUR 10,039,200 which represents EUR 0.47 per share.

Important business contracts realized by the Company

- Contract with Českomoravská stavební spořitelna (Czech-Moravian Building Society) – implementation of core banking system StarBUILD including data migration from the old system, CRM implementation, ODS and system integration assurance (contracts signed in reporting period).
- Contracts with Slovenská sporiteľňa (Slovak Saving Bank) – development and new change requests in Electronic Banking (contracts signed in reporting period).
- Contracts with Poštová banka (Postal Bank) – new change requests in core system StarBANK (contracts signed in reporting period).
- Contract with J&T, a. s. – licence and StarSTAT supply for reporting automation towards Slovak National Bank (SNB) for 2013. Design of data bases, mapping of bank source systems to data bases and data parameterisation for defined SNB records (contract signed in reporting period).
- Contract with Český statistický úřad (Czech Statistical Office) – re-design of information system of statistical office & service to the re-design of information system of statistical office (contracts signed in reporting period).
- Contract with F. D. Roosevelt Faculty Hospital with Polyclinic in Banská Bystrica – virtualization of IT infrastructure (contract signed in reporting period).

13 ADDITIONAL INFORMATION

13.1 Indication of proceedings pending before courts and public administration

Currently there are no ongoing proceedings before the courts, the authority responsible for arbitration proceedings or public administration bodies, in which the party would be

Asseco Central Europe, a. s. which would be subject to claims or liabilities of at least 10% of the equity of the Company.

13.2 Information about seasonality

Production of the Company is subject to the usual seasonality observed across the IT industry. According to past experience most of the Company revenues are generated in the fourth quarter, when investments budgets are realized by the customers.

13.3 Information on dividends paid or declared

According to information published in the Prospectus, the Company has not declared a dividend policy.

Ordinary general shareholders meeting which was held on 10 April 2013 approved consolidated and standalone financial statements of Asseco Central Europe, a. s. and the distribution of net profit for 2012. The dividends were paid out in the total amount of EUR 10,039,200.00 which represents EUR 0.47 per 1 share.

13.4 Information on changes in contingent liabilities or contingent assets

Information on contingent liabilities or contingent assets are presented in the Note 26 and Note 27 of the Company's financial statements.

13.5 Related party transactions

Transactions of the Company with related parties are provided in the Note 23 of the financial statements of the Company.

13.6 Loans, loan agreements, sureties, guarantees and commitments

Loans granted and loans collected are presented in the Note 15 of the financial statements of the Company. Commitments and contingent liabilities are provided in the Note 26 and Note 27 of the financial statements of the Company.

13.7 Opinion on feasibility of the Management´s financial forecast for 2013

The Board of Directors of the Company did not publish any forecast for 2013.

13.8 Management of financial resources

The financial resources of Company consist of operating activities.

The Company holds surplus funds with licensed banking institutions, in form of term deposits with minimal risk. The Company does not invest in securities for short-term appreciation of resources other than those reported in the Note 17 of the financial statements of the Company.

The Company generally fulfils its obligations on time. If necessary, the Company is able to react to short-term lack of liquidity by using intercompany loans.

13.9 Evaluation of feasibility of investment projects

All of the investment transactions were planned in a way that they should not limit or threaten the ongoing character of operating activities of the Company and the financial liquidity of individual companies of the group. Moreover, the Company plans to continue reinvesting in the assets, which are used for operating activities.

13.10 Factors and events, particularly of unusual character, having an impact on financial results

There were no one-off transactions having significant impact on financial results of the Company in 2013.

13.11 Characteristics of the factors relevant to the development of the Company

External factors affecting future financial performance of the Company include:

- Development of economic situation in the countries of Central Europe and economic situation in the customers market.
- Level of demand for IT solutions in the financial sector.
- Level of demand for IT solutions in public administration.
- The rapid pace of technological development.
- Actions of competitors from the IT industry.
- Exchange rate volatility.

Internal factors affecting future financial performance of the Company include:

- Realization of customer contracts.
- Results of tenders and negotiation of new contracts in the IT sector.
- Cooperation and synergies resulting from the collaboration of companies within the group in order to maintain competitive advantages and strengthening the group's position in the market.
- The Company's management expects further integration of the group companies, based on planned synergies enabling more benefits for Asseco Central Europe SK and CZ and Asseco Solutions SK and CZ in the future.

13.12 Changes in the basic principles of management of the Company

In the reporting period, there were no changes in the basic principles of management of Company.

13.13 All agreements between the Company and its management, providing compensation in case of their resignation or dismissal

Asseco Central Europe, a. s. has not entered into agreements with its management, providing for compensation in case of their resignation or dismissal.

13.14 Information on salaries, bonuses or benefits for managers and supervisors

Information on salaries, bonuses or benefits for managers and supervisors are presented in the Note 32 of the financial statements.

13.15 Information about existing agreements that may result in future changes of the proportions of shares held by existing shareholders

Asseco Central Europe, a. s. is not aware of any agreement which could result in changes in the proportion of shares held by existing shareholders.

13.16 Information about share based payment transactions

The Company does not conduct employee share schemes.

13.17 Agreement with the entity authorized to audit financial statements

General Shareholders Meeting of Asseco Central Europe, a. s. approved the selection of Ernst & Young Slovakia, spol. s r.o. with registered seat at Hodžovo námestie 1/A Bratislava, SKAU Licence No. 257 as independent auditor for standalone and consolidated financial statements of Asseco Central Europe, a. s. for the year 2013.

Detailed information about the total audit fees charged to Asseco Central Europe, a. s. are presented in the Note 30 of the financial statements of the Company.

13.18 Significant events after the balance sheet date

On 2 January 2014, the Board of Directors of Asseco Central Europe signed an agreement with Asseco Dach S.A. for acquisition of 100% shares in Asseco Solutions AG headquartered in Germany in value of EUR 13,800 thousand. Asseco Solutions AG is a recognized expert in the area of technologically leading ERP software for manufacturing companies within Germany, Austria and Switzerland.

Signatures of all members of the Board of Directors of Asseco Central Europe, a. s. under the Management report on activities of the Asseco Central Europe for the 2013 year

Jozef Klein Chairman of the Board	Radek Levíček Vice-chairman of the Board	Marek Grác Member of the Board
David Stoppani Member of the Board		

4 March 2014, Bratislava

ASSECO CENTRAL EUROPE BOARD OF DIRECTORS STATEMENT

Statement of the Board of Directors of Asseco Central Europe, a. s. on the reliability of the financial statements of Asseco Central Europe, a. s. for the period from 1 January to 31 December 2013.

The Board of Directors of Asseco Central Europe, a. s., according to its best knowledge, declares that the financial statements for the period from 1 January to 31 December 2013 have been prepared in accordance with the rules under International Financial Reporting Standards, International Accounting Standards and related interpretations published by the European Commission and give a true and fair financial position of the Company and its financial performance and that the report shall include a true picture of the development and achievements and the Company, including a description of the main threats and risks.

Józef Klein
Chairman of the
Board of Directors

Radek Levíček
Vice-chairman
of the Board

Marek Grác
Member of the
Board of Directors

David Stoppani
Member of the
Board of Directors

Statement of the Board of Directors of Asseco Central Europe, a. s. on the entity authorized to the financial statements of Asseco Central Europe, a. s. for the period from 1 January to 31 December 2013.

This Board of Directors of Asseco Central Europe, a. s. declares that the entity authorized to audit the financial statements of the Asseco Central Europe, a. s., i.e. Ernst & Young Slovakia, spol. s r. o., with seat in Bratislava was chosen in accordance with the law. Entity and the auditors who audited the report fulfilled the conditions of an impartial and independent opinion about the study, in accordance with applicable law.

Jozef Klein
Chairman of the
Board of Directors

Radek Levíček
Vice-chairman
of the Board

Marek Grác
Member of the
Board of Directors

David Stoppani
Member of the
Board of Directors

4 March 2014, Bratislava

Solutions for Demanding Business

REPORT ON COMPLIANCE
of Asseco Central Europe, a. s.
with the corporate governance standards

4 March 2014

Declaration of Asseco Central Europe, a. s. on compliance with the Corporate Governance Standards, prepared pursuant to §91 sect. 5 item 4 of the Regulation of the Minister of Finance regarding current and periodic information to be submitted by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state, dated 19 February 2009 (Journal of Laws No. 33, item 259)

I. THE SET OF CORPORATE GOVERNANCE STANDARDS APPLICABLE TO THE ISSUER AND THE PLACE WHERE IT IS PUBLICLY AVAILABLE.

Asseco Central Europe, a. s. („the Company”) is bound by the Code of Best Practice for WSE Listed Companies adopted by a resolution of the Supervisory Board of the Warsaw Stock Exchange No. 19/1307/2012 dated 21 november 2012. Full text of the Code of Corporate Governance is available on web page http://www.corp-gov.gpw.pl. The report on corporate governance standards applied by Asseco Central Europe, a. s. was published in the Company's current report No. 15/2008 of 13 March 2008 as well as in the Report on Compliance with the Corporate Governance Standards in 2008, 2009, 2010, 2011 and 2013 prepared pursuant to §91 sec. 5 item 4 of the Regulation of the Minister of Finanace dated 19 February 2009 published for year 2008 on 18 February, for 2009 on 11 March, for 2010 on 15 March, for 2011 on 8 March and for 2012 on 1 March. Furthermore, the Company made a declaration of compliance with the corporate governance standards, which has been published on our corporate website www.asseco.com/ce, in the Investor Relations section.

II. CORPORATE GOVERNANCE STANDARDS WHICH HAVE BEEN PARTIALLY OR ENTIRELY WAIVED BY THE ISSUER AND THE RATIONALE FOR DOING SO.

The Company’s Board of Directors decided to abandon application of the following corporate governance rules:

Rule No.	Rule	Our comment
II.1.11.	A company should operate a corporate website and publish information known to the Management Board based on a statement by a member of the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company’s General Meeting.	We apply this rule in a limited scope, i.e., the Company discloses information on shareholders holding not less than 5% of the total number of votes at the general meeting in the form of a current report. Information on stakes held by members of our Board of Directors and Supervisory Board is disclosed in our periodical reports.
II. 3.	Before a company executes a significant agreement with a related entity, its Management Board shall request the approval of the transaction/agreement by the Supervisory Board. This condition does not apply to typical transactions made on market terms within the	We apply this rule in line with our binding Articles of Associations. The powers of the Supervisory Board include *inter alia* granting consent for entering into agreements between the Company and members of its Board of Directors and Supervisory Board, our shareholders or

	operating business by the company with a subsidiary where the company holds a majority stake. For the purpose of this document, related entity shall be understood within the meaning of the Regulation of the Minister of Finance issued pursuant to Article 60.2 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Dz.U. No. 184, item 1539, as amended).	entities linked with the Company or entities having capital or personal connection to members of our Board of Directors, Supervisory Board or our shareholders.
II.7	A company shall set the place and date of a General Meeting so as to enable the participation of the highest possible number of shareholders.	We do not apply this rule. We are registered in Slovakia and our General Meetings take place in Slovakia. The possibility of some of our Polish shareholders to participate in General Meetings may be limited. In order to make this easier for our shareholders, we plan to organize, in Poland, meetings preceding the General Meeting at a convenient time and place. These pre-meetings will allow all shareholders to register and discuss topics intended to be subject matter of the General Meeting. They will be able to grant powers of attorney to persons delegated by us to such meetings.
III.1.1)	In addition to its responsibilities laid down in legal provisions the Supervisory Board should: once a year prepare and present to the Ordinary General Meeting a brief assessment of the company's standing including an evaluation of the internal control system and the significant risk management system.	We apply this rule in a limited scope, i.e. annual reports signed by Board of Directors include information regarding evaluation of the Company's situation.
III.4.	A member of the Supervisory Board should notify any conflicts of interest which have arisen or may arise to the Supervisory Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.	We apply this rule in a limited scope, i.e., our major shareholder, Asseco Poland is entitled to designate three out of five members of the Supervisory Board. Asseco Poland has a very similar business activities profile and potentially acceptance of this rule could be impossible or could complicate the activities of our Supervisory Board.
III.6	At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board*. Irrespective	We apply this rule in a limited scope, i.e. our major shareholder, Asseco Poland is entitled to designate three out of five members of the Supervisory Board. One Supervisory Board member is appointed by our employees. For these reasons, the Board of Directors is not able to ensure compliance with this rule.

	of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.	
III.8	Annex I to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors…* should apply to the tasks and the operation of the committees of the Supervisory Board.	We apply this rule in a limited scope, i.e., our Supervisory Board shall act on the basis of the laws of the Slovak Republic.
IV.6	The date of setting the right to dividend and the date of dividend payment should be set so to ensure the shortest possible period between them, in each case not longer than 15 business days. A longer period between these dates requires detailed grounds.	The Company acts on the basis of the regulations in force in the Slovak Republic and, as a company listed on the WSE, is obliged to obey the regulations in force in Poland. In the case of dividend payments, the Company must adjust the method of payment to the two systems. For this reason, there might be a slight delay between the day on which a right to a dividend is established and the day the dividend is actually paid.

III. MAIN FEATURES OF THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS APPLIED BY THE ISSUER IN THE PROCESS OF PREPARING ITS SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS.

The Company's separate and consolidated financial statements are prepared in compliance with the International Accounting Standards ("IAS") as well as the International Financial Reporting Standards ("IFRS"). Both IAS and IFRS include interpretations approved by the International Financial Reporting Interpretations Committee ("IFRIC").

One of the key control mechanisms in the process of preparing the Company's financial statements involves periodical verification of such financial statements by an independent certified auditors, and in particular the review of semi-annual financial statements as well as the preliminary and final audits of annual financial statements.

Certified auditors are selected by the Company in such a way as to ensure that their entrusted tasks are performed impartially. For the sake of such impartiality, the Company changes the entity authorized to audit its financial statements at least once every five years. The change of certified auditors should be also understood as changing the individual carrying out the audit. Certified auditors are each year selected by the Supervisory Board from among reputable auditing firms, which can guarantee high standards of service and independence. Auditing agreements are concluded for one-year periods.

In order to ensure accuracy of the Company's accounting books as well as generation of highly reliable financial data, the Company's Board of Directors adopted the following documents:

1. Company Organizational Regulations,
2. Accounting Policy and Chart of Accounts, both consistent with the International Financial Reporting Standards,
3. Quality Management System ISO 9001:2000,
4. Numerous internal procedures regulating the Company's operations with significant exposure to risk.

Quality of the accounting data, which provide basis for the preparation of financial statements, is additionally guaranteed by the fact that the Company's accounting books are maintained in an integrated ERP system.

The Audit Committee, established from among Members of the Supervisory Board, plays an important role in internal control of the preparation of separate and consolidated financial statements. This committee is entitled to perform financial auditing activities within the company and in particular to:

- monitor the financial reporting process;
- monitor efficiency of the internal control, internal audit and risk management systems;
- monitor performance of the financial audit activities;
- monitor independence of the certified auditor as well as of the entity authorized to audit financial statements.

The internal control and risk management procedures applied in the process of preparing the financial statements of Asseco Central Europe are very effective and enable production of high quality reports, which is best proved by the opinions issued by certified auditors following their audits of the Company's annual financial statements.

IV. SHAREHOLDERS WHO, DIRECTLY OR INDIRECTLY, HOLD SIGNIFICANT STAKES OF SHARES INCLUSIVE OF THE NUMBERS OF SHARES AND EQUITY INTERESTS HELD, AND THE NUMBERS OF VOTES AND VOTING INTERESTS THEY ARE ENTITLED TO AT THE GENERAL MEETING OF SHAREHOLDERS.

To the best knowledge of the Company's Board of Directors, as at the publication date of this report, i.e. at 4 March 2014, the Shareholders who, either directly or through their subsidiaries, held at least 5% of the total votes at the General Meeting of Shareholders were as follows:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	19,973,096	19,973,096	93.51

V. HOLDERS OF ANY SECURITIES CARRYING SPECIAL RIGHTS WITH REGARD TO CONTROL OF THE COMPANY AND DESCRIPTION OF SUCH RIGHTS.

None

VI. LIMITATIONS ON THE EXERCISE OF VOTING RIGHTS, SUCH AS LIMITATIONS ON VOTING BY HOLDERS OF A CERTAIN PORTION OR NUMBER OF VOTES, TIMING LIMITATIONS ON VOTING, OR OTHER PROVISIONS UNDER WHICH, IN COOPERATION WITH THE COMPANY, OWNERSHIP OF SECURITIES IS DEPRIVED OF SOME RIGHTS INCIDENTAL THERETO.

None

VII. LIMITATIONS ON TRANSFERABILITY OF OWNERSHIP RIGHTS TO THE ISSUER'S SECURITIES.

None

VIII. RULES REGARDING APPOINTMENT AND DISMISSAL OF THE MANAGEMENT MEMBERS AND DETERMINING THEIR AUTHORITY, IN PARTICULAR THE RIGHT TO DECIDE ON ISSUANCE OR REDEMPTION OF SHARES.

The Board of Directors is the statutory body that manages the Company and acts on its behalf. Two members of the Board of Directors acting jointly are entitled to represent the Company. The Board of Directors decides all matters related to the operations of the Company unless the matter lies within the competence of the General Meeting or the Supervisory Board. Any 2 (two) members of the Board of Directors shall act jointly on behalf of the Company in all of the Company's matters towards third parties.

Members of the Board of Directors are elected for the period of 5 (five) years and recalled by the Supervisory Board of the Company. The Supervisory Board shall at the same time determine which of the members of the Board of Directors shall be the Chairman of the Board of Directors. If in accordance with the Articles of Association the Supervisory Board fails to elect/recall the member(s) of the Board of Directors or to appoint the Chairman of the Board of Directors, the General Meeting shall elect/recall members of the Board of Directors, appoint the Chairman of the Board of Directors in accordance with the Articles of Association. A repeated election is possible.

IX. RULES REGARDING AMENDMENT OF THE ISSUER'S ARTICLES OF ASSOCIATION

Commercial Code (Journal of Laws No. 513/1991) applicable in the Slovak Republic regulates the formal requirements for change of the Articles of Association in joint stock companies under § 173 and 174. Articles of Association of Asseco Central Europe, a. s. does not provide specific provisions governing the amendment of the Articles of Association, i.e. the Company applies the provisions of the Commercial Code in force in the Slovak Republic (Commercial Code), according to which a change of the Company Articles of Association requires a resolution of general meeting and the introduction of new wording to the Registrer of District Court Bratislava I.

If the general meeting agenda includes a change of the Articles of Association, the notice of general meeting must include at least a summary of the proposed changes. The draft amendments to the Articles of Association must be made available to shareholders for inspection at the premises of the company within a general meeting. The resolution of the general assembly to amend the Articles of Association requires a two-thirds of shareholders present at a general meeting and a notarial record must be prepared. After any change to the Articles of Association of the Board shall be obliged to prepare the full text of the Articles of Association and is responsible for its completeness and correctness.

X. THE MANNER OF OPERATION AND ESSENTIAL AUTHORITIES OF THE GENERAL MEETING OF SHAREHOLDERS, DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND THE EXERCISE THEREOF, AND IN PARTICULAR THE RULES SET FORTH BY THE BYLAWS OF THE GENERAL MEETING OF SHAREHOLDERS PROVIDED SUCH BYLAWS HAVE BEEN ADOPTED, UNLESS SUCH INFORMATION IS DETERMINED DIRECTLY BY THE PROVISIONS OF LAW.

The General Meeting shall be the supreme body of the Company. All shareholders and/or their proxies authorized under power of attorney, as well as other persons/entities shall have the right to participate in the General Meeting in compliance with provisions of the Articles of Association of the Company.

Members of the Board of Directors and the Supervisory Board shall attend the General Meeting. The General Meeting shall be held at least once per year and it shall be convened by the Board of Directors.

The General Meeting shall usually take place in Bratislava in the Company's registered seat. The General Meeting may be also held in another place determined by the Board of Directors during convocation of the General Meeting.

The Extraordinary General Meeting may be convened if the Company's interests require so, or in cases provided for by the generally binding legal regulations and/or the Articles of Association. The General Meeting shall be convened by the Board of Directors by publishing a notice of the General Meeting at least 30 (thirty) days before the date of the General Meeting in nationally circulated periodicals publishing news from the stock exchange.

In respect of difference in laws regulating operation of joint-stock company within two different systems of law, that means difference between Slovak laws, by which is regulated operation of the Company and Polish law regulating rules of trading with shares of the Company at Warszaw Stock Exchange, and for the purpose of explanation of these laws, the Board of Directors can call before each General Meeting an informational meeting of shareholders (further just „informational meeting"), which can happen in Bratislava and/or in Warszawa.

Informational meeting takes place not earlier than 5 and not later than 1 business day before the date of the General Meeting. The right of the shareholder to attend the General Meeting is checked upon an extract of the shareholder's account led by the member of Central Securities Depository in the Slovak Republic or by the member of foreign central depository, which has proprietor's account led in Central Securities Depository in the Slovak Republic, made out on the determining date in accordance with Articles of Association. The original extract from the shareholder's account must be in Slovak or English language in case it will be delivered directly by the depository (bank) to the address of Asseco Central Europe. In the event that the extract is delivered to the Shareholders' Meeting directly by the shareholder within the time specified in the invitation, it must be certified by a notary translation into Slovak language.

The shareholder may exercise its rights at the General Meeting either in person or through a proxy authorized under a written power of attorney. A shareholder's proxy authorized under a power of attorney may not be a member of the Supervisory Board of the Company.

During registration for the General Meeting the shareholders shall present the documents listed further below in order to allow for verification of their right to participate in the General Meeting:

I.

Original or officially authenticated copy from the extract of the shareholder's account led by the member of the Central Securities Depository in the Slovak Republic or by the member of foreign central depository, which has proprietor's account led in the Central Securities Depository in the Slovak Republic, made out on the determining date in accordance with the Articles of Association.

and

II.

(a) if the shareholder is an individual:

- a valid ID Card or a valid passport or another document replacing the above documents;

(b) if the shareholder is a legal entity:

- an original or an officially verified copy of the Excerpt from the Commercial Register not older than 3 (three) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting, and
- its statutory body; members of the statutory body authorized to act in the name of the Company who are attending the General Meeting shall submit a valid ID Card or a valid passport or another document replacing the above documents;

(c) a proxy – an individual:

- an original or an officially verified copy of the power of attorney with an officially verified signature of a shareholder, if he/she is an individual, or with an officially verified signature of statutory body or members of a statutory body authorized to act on behalf of the shareholder if it is a legal entity;
- a valid ID Card or a valid passport or another document replacing the above documents; and
- if the proxy represents a shareholder – a legal entity – also an original or an officially verified copy of the Excerpt from the Commercial Register in respect of the shareholder not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting.

(d) a proxy – a legal entity – represented by its statutory body:

- an original or an officially verified copy of the power of attorney with an officially verified signature of a shareholder, if he/she is an individual, or with an officially verified signature of statutory body or members of a statutory body authorized to act on behalf of the shareholder if it is a legal entity;
- an original or an officially verified copy of the Excerpt from the Commercial Register not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting,
- a valid ID Card or a valid passport or another document replacing the above documents of the statutory representative of the proxy; and
- if the proxy represents a shareholder – a legal entity – also an original or an officially verified copy of the Excerpt from the Commercial Register not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting.

The official language of the General Meeting is the Slovak. If a shareholder needs a translation into a foreign language, it must be provided by the shareholder at the shareholder's costs.

The General Meeting decide about all questions by two-thirds vote majority of present shareholders, except cases, when the generally binding legal acts require higher number of votes of shareholders (more).

The number of a shareholder's votes shall depend on the nominal value of shares held by such shareholder. Each share with a nominal value of 0.033194 EUR shall represent one vote.

Minutes must be taken from every General Meeting in respect of its course.

The following issues shall be entrusted in the scope of competence of the General Meeting:

(a) amendments to the Articles of Association of the Company,

(b) deciding on increase and decrease in the registered capital, on authorization of the Board of Directors to increase the registered capital pursuant to Section 210 of the Commercial Code and to issue bond

(c) selection and recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors, provided that the Supervisory Board does not decide on election/recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors pursuant to Article of Associatons,

(d) election and recalling of members of the Supervisory Board, except for the members of the Supervisory Board elected and recalled pursuant to Section 200 of the Commercial Code by employees of the Company,

(e) approval of the Annual and Extraordinary Financial Statements, deciding on distribution of profit or payment for losses and determining the royalties,

(f) deciding on transformation of the nature of securities issued as certificated securities into book-entry securities and vice-versa, if allowed by the generally binding legal regulations,

(g) deciding on winding-up of the Company and on a change in its legal form,

(h) deciding on termination of registration of the Company's shares for trading at the Stock Exchange and deciding on Company's ceasing to exist as a public joint-stock company,

(i) approval of directives applicable to remuneration of members of the Company's bodies,

(j) deciding on approval of an Agreement on transfer of the enterprise or Agreement on transfer of a part of the enterprise,

(k) deciding on change of type of the Company's shares issued as registered shares to bearer shares and vice-versa;

(l) deciding on division (split off) of the Company's shares into shares with lower nominal value;

(m) deciding on further questions that the law or the Articles of Associations put under the scope of competence of the General Meeting or that the General Meeting acquires into its scope of competence by its resolution.

Other provisions of the course and organization of the meetings of the shareholders meeting, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

XI. COMPOSITIONS, LAST YEAR CHANGES IN THE COMPOSITIONS, AND OPERATIONS OF THE ISSUER'S MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES AND THEIR COMMITTEES.

THE SUPERVISORY BOARD

The Supervisory Board is the inspection body of the Company which supervises how the Board of Directors exercises its range of powers and how the business activity of the Company is conducted. The Supervisory Board shall have 5 (five) members. The term of office of the members of the Supervisory Board shall be five (5) years.

Members of the Supervisory Board shall be elected and recalled by the General Meeting. The principle shall apply at all times that 3 (three) members of the Supervisory Board shall be nominated by Asseco Poland, S.A., with its registered office in Rzeszów, Olchowa 14, 35-322 Rzeszów, the Republic of Poland, registered in the Register of Entrepreneurs of the National Court Register held by the District Court in Rzeszów, XII Commercial Division of the National Court Register under the KRS number 0000104838 and 1 (one) member of the Supervisory Board shall be nominated and elected by employees pursuant to valid legal regulations.

The range of powers and duties of the Supervisory Board shall include, in particular, without limitation:

- review of the Annual and Extraordinary Financial Statements of the Company;
- review and evaluation of the Reports of the Board of Directors on the activity and position of the Company and the companies controlled by it, as well as review and evaluation of proposals of the Board of Directors for distribution of profit and/or covering of losses;
- approval of annual budget of the Company;
- submission of a written report on results of the aforementioned reviews at the General Meeting;
- approval of rules for remuneration of members of the Board of Directors of the Company;
- convocation of General Meetings of the Company in compliance with the conditions set forth by the Commercial Code and these Articles of Association;
- other issues entrusted to the competence of the Supervisory Board by legal regulations and/or other provisions of these Articles of Association;
- election and recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors;
- granting approval with procuration granted by the Board of Directors of the Company;
- approval for the Company to take/provide loans and credits, the value of which exceeds the value of the registered capital in one transaction or in whole series of connected transactions or, as the case may be, a corresponding value of this amount in other currencies, which have not been taken into account in the financial budget of the Company, or which have not been approved by a resolution of the General Meeting or of the Supervisory Board;
- approval of a sale and purchase of real estate property by the Company, including co-ownership interests in the real estate property regardless of the value of the title to the real estate property to be acquired or transferred, which have not been taken into account in the financial budget of the Company;
- granting approval with disposition of costs, including investment costs of the Company, in the amount exceeding ten times the value of the registered capital in one transaction or in a series of connected transactions or, as the case may be, the corresponding value of this amount in other currencies, which have not been taken into account in the financial budget of the Company;
- provision of any guarantees, security interests, any out-of-balance sheet obligations, acceptance of liability for damage which have not been taken into account in the financial budget of the Company;

- granting approval with establishment or creation of an easement on any part of the real estate property of the Company, which has not been listed in the financial budget of the Company,

- approval of a purchase or any other acquisition of ownership interests of other companies, shares, with entrance of the Company into other business companies, associations of legal entities, foundations or other investment funds;

- approval of sale of assets of the Company, the value of which exceeds 10% (ten percent) of the book value of the assets of the Company based on the last financial statements verified by an independent auditor, the sale of which has not been taken into account in the financial budget of the Company;

- granting approval with entering into agreements between the Company and members of the Board of Directors of the Company, the Supervisory Board of the Company, shareholders of the Company or, as the case may be, Dependent Entities or entities connected through capital or personally with members of the Board of Directors, members of the Supervisory Board or shareholders;

- granting approval with the acquisition and subsequent use of a specific amount of treasury shares within the total amount of treasury shares that the Company is entitled to acquire based on the prior decision of the General Meeting.

Other provisions of the course and organization of the meetings of the supervisory board, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

There were following members of the Supervisory Board of Asseco Central Europe, a. s. as at 31 December 2013:

Name and Surname	Position	Period
Adam Tadeusz Góral	Chairman	1.1.2013-31.12.2013
Andrej Košári	Vice-Chairman	1.1.2013-31.12.2013
Ján Handlovský	Member (elected by employees)	1.1.2013-31.12.2013
Marek Paweł Panek	Member	1.1.2013-31.12.2013
Przemysław Sęczkowski	Member	1.1.2013-11.2.2013 21.3.2013-10.4.2013 (substitute member) 10.4.2013-31.12.2013

There were following members of the Supervisory Board of Asseco Central Europe, a. s. as at 4 March 2014:

Name and Surname	Position	Period
Adam Tadeusz Góral	Chairman	1.1.2014-present
Andrej Košári	Vice-Chairman	1.1.2014-present
Ján Handlovský	Member (elected by employees)	1.1.2014-present
Marek Paweł Panek	Member	1.1.2014-present
Przemysław Sęczkowski	Member	1.1.2014- present

THE BOARD OF DIRECTORS

The Board of Directors is the statutory body of the Company which manages all the activity of the Company, acts on its behalf and represents it in legal acts. The Board of Directors decides all matters of the Company unless they fall within the powers of the General Meeting or the Supervisory Board pursuant to legal regulations or these Articles of Association.

The Board of Directors adopts a decision by majority of all votes of its present members.

The Board of Directors shall in particular, without limitation, to:

a) ensure proper management of the Company's accounting and submit to the General Meeting for approval the Company's annual or extraordinary financial statements and a proposal for distribution of profit or covering of the Company's losses,

b) together with the annual financial statements, submit to the General Meeting once a year a report on the business activities of the Company and the state of its assets and liabilities; this report shall form an integral part of the annual report prepared according to special regulations,

c) submit to the Supervisory Board once a year information on fundamental intentions of the business management of the Company for the future period as well as the expected development of the state of assets and liabilities, finances and proceeds of the Company,

d) upon request and within the term determined by the Supervisory Board submit a written report on the state of the business activity and assets and liabilities of the Company as compared with the expected development,

e) inform the Supervisory Board without undue delay about all facts which may substantially influence the development of the business activity and the state of assets and liabilities of the Company, in particular its liquidity,

f) upon request of the Supervisory Board, participate in meetings of the Supervisory Board and give its members additional information in the requested scope about submitted written reports,

g) convene an extraordinary General Meeting without undue delay if it finds out that the Company's loss has exceeded one third of its registered capital or if this can be expected, and submit to the General Meeting proposals for measures; the Board of Directors shall also inform the Supervisory Board without undue delay about these facts,

h) exercise its range of powers with due diligence and in accordance with interests of the Company and all its shareholders. In particular, it shall obtain and take into account all accessible information concerning the subject matter of decision-making, not to disclose business secret and confidential information and facts to third parties, if such disclosure might be detrimental to the Company or threaten interests of the Company and its shareholders. The obligation to keep confidential shall apply also after the expiration of the term of office of a member of the Board of Directors until such information becomes generally known,

i) ensure publication of data from financial statements verified by an auditor in accordance with Act on Accounting at the cost of the Company by publishing them in Commercial Bulletin,

j) submit all documents prescribed by law to the collection of deeds maintained by the relevant Commercial Register and submit motions for entry/change of entry of all data to be registered with the Commercial Register, and that within 30 days as of their occurrence,

k) with a prior consent of the Supervisory Board adopt principles for founding of a new company with an interest of the Company or acquisition of an interest in an existing company, as well as establishment of its branch office in the Slovak Republic or abroad,

l) observe provisions of relevant generally binding legal regulations, Articles of Association of the Company and decisions of its bodies;

m)executes budget of the Company, submits it for the approval of the Supervisory Board and after obtaining of an approval is responsible for its fulfillment.

Other provisions of the course and organization of the meetings of the Board of Directors, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

There were following members of the Board of Directors of Asseco Central Europe, a. s. as at 31 December 2013:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2013-31.12.2013
Radek Levíček	Vice-chairman	1.1.2013-31.12.2013
Tomáš Osuský	Member	1.1.2013-31.12.2013
Marek Grác	Member	1.1.2013-31.12.2013
David Stoppani	Member	1.1.2013-31.12.2013

There were following members of the Board of Directors of Asseco Central Europe, a. s. as at 4 March 2014:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2014-present
Radek Levíček	Vice-chairman	1.1.2014-present
Marek Grác	Member	1.1.2014-present
David Stoppani	Member	1.1.2014-present

Mr. Tomáš Osuský has resigned from his position in the Board of Directors of Asseco Central Europe, a.s. According to Article 27.7 of the Statuses of the Company, the resignation came into effect on the date when the Board of Directors discussed the resignation, i.e. 28 February 2014.

PROCURATION

According to Article 14 of Slovak Commercial Code (Journal of Laws No. 513/1991) the Board of Directors of Asseco Central Europe, a. s. pursuant its resolutions decided on granting procuration to following persons:

Branislav Tkáčik
Michal Navrátil

According to Article of 34.2. a) the Supervisory Board of Asseco Central Europe, a. s. by its resolution has approved procuration granted by the Board of Directors of the Company.

Procurist acts on behalf of Company on its own, and when he signs the documents he shall state the commercial name of the Company, his name and in an addendum indicate his procuration, and attach his signature.

Jozef Klein Chairman of the Board of Directors	Radek Levíček Vice-chairman of the Board of Directors	Marek Grác Member of the Board of Directors
David Stoppani Member of the Board of Directors		

Ernst & Young Slovakia, spol. s r.o.
Hodžovo námestie 1A
811 06 Bratislava
Slovenská republika
Tel: +421 2 3333 9111
Fax: +421 2 3333 9222
www.ey.com/sk

Independent Auditors' Report to the Shareholders of
Asseco Central Europe, a.s.

We have audited the accompanying separate financial statements of Asseco Central Europe, a.s. ('the Company'), which comprise the statement of financial position as at 31 December 2013, the profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

Spoločnosť zo skupiny Ernst & Young Global Limited
Ernst & Young Slovakia, spol. s r.o., IČO: 35 840 463, zapísaná v Obchodnom registri Okresného súdu Bratislava I, oddiel: Sro, vložka číslo: 27004/B
a v zozname audítorov vedenom Slovenskou komorou audítorov pod č. 257.

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

4 March 2014
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Peter Hollý
UDVA Licence No.1072

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

Solutions for Demanding Business

ASSECO CENTRAL EUROPE, a. s.

SEPARATE FINANCIAL STATEMENTS
INCLUDING INDEPENDENT AUDITOR´S REPORT

FOR THE YEAR ENDED
31 DECEMBER 2013

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL
FINANCIAL REPORTING STANDARDS as endorsed by European Union

Bratislava, 4 March 2014

FINANCIAL STATEMENTS OF ASSECO CENTRAL EUROPE, a. s. INCLUDING INDEPENDENT AUDITOR´S REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Contents **Page**

FINANCIAL STATEMENTS OF ASSECO CENTRAL EUROPE, a. s.
INCLUDING INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

These financial statements were prepared on 4 March 2014 and authorized for publication by the Board of Directors of Asseco Central Europe, a. s. on 4 March 2014.

Board of Directors:

RNDr. Jozef Klein	Chairman of the Board of Directors
Ing. Radek Levíček	Vice-chairman of the Board of Directors
Ing. David Stoppani	Member of the Board of Directors
Ing. Marek Grác	Member of the Board of Directors

Person responsible for maintaining the accounting books:

Rastislav Mordavský	Chief Accountant

PROFIT AND LOSS ACCOUNT
ASSECO CENTRAL EUROPE, a. s.

	Note	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Sales revenues	1	35,315	31,009
Cost of sales (-)	2	(25,709)	(21,995)
Gross profit on sales		**9,606**	**9,014**
Selling expenses	2	(457)	(759)
General administrative expenses	2	(3,140)	(3,210)
Net profit on sales		**6,009**	**5,045**
Other operating income	3	228	919
Other operating expenses	3	(111)	(40)
Operating profit		**6,126**	**5,924**
Financial income	4	9,390	9,291
Financial expenses	4	(59)	(1,599)
Pre-tax profit		**15,457**	**13,616**
Corporate income tax (current and deferred portions)	5	(1,463)	(1,153)
Net profit for the period reported		**13,994**	**12,463**

Earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):			
Basic consolidated earnings per share from continuing operations for the reporting period	6	*0.66*	*0.58*
Diluted consolidated earnings per share from continuing operations for the reporting period	6	*0.66*	*0.58*

All figures in thousands of EUR, unless stated otherwise

STATEMENT OF COMPREHENSIVE INCOME
ASSECO CENTRAL EUROPE, a. s.

	Note	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Net profit for the reporting period		**13,994**	**12,463**
Total other comprehensive income		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**13,994**	**12,463**

All figures in thousands of EUR, unless stated otherwise 6

STATEMENT OF FINANCIAL POSITION
ASSECO CENTRAL EUROPE, a. s.

ASSETS	Note	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Non-current assets		**75,711**	**78,282**
Property, plant and equipment	8	814	834
Intangible assets	9	9,446	11,373
Investments in subsidiaries	10	64,758	64,759
Long-term loans	11	-	1,052
Deferred income tax assets	5	693	264
Current assets		**41,467**	**30,467**
Inventories		71	2
Deferred expenses	12	811	695
Trade accounts receivable	14	17,910	8,957
Corporate income tax		-	1,082
Other receivables and other assets	14	3,331	2,705
Loans granted	15	2,328	160
Other financial assets	16	745	4,129
Cash and short-term deposits	17	16,271	12,737
TOTAL ASSETS		**117,178**	**108,749**

All figures in thousands of EUR, unless stated otherwise

STATEMENT OF FINANCIAL POSITION
ASSECO CENTRAL EUROPE, a. s.

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Shareholders' equity (attributable to Shareholders of the Parent Company)			
Share capital	18	709	709
Share premium		74,901	74,901
Retained earnings		27,954	23,999
Total shareholders' equity		**103,564**	**99,609**
Current liabilities		**13,614**	**9,140**
Trade accounts payable	22	4,271	3,546
Corporate income tax payable	22	1,295	-
Liabilities to the State budget	22	1,371	1,171
Financial liabilities	19	-	6
Other liabilities	22	2,123	1,895
Provisions	21	1,284	962
Accrued expenses	22	2,282	694
Deferred income	22	988	866
TOTAL LIABILITIES		**13,614**	**9,140**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**117,178**	**108,749**

All figures in thousands of EUR, unless stated otherwise 8

STATEMENT OF CHANGES IN EQUITY
ASSECO CENTRAL EUROPE, a. s.

	Note	Share capital	Share premium	Retained earnings	Total shareholders' equity
As at 1 January 2012	18	**709**	**74,901**	**25,634**	**101,244**
Net profit for the period		-	-	12,463	**12,463**
Dividend for 2011	7	-	-	(14,098)	**(14,098)**
As at 31 December 2012 (audited)	**18**	**709**	**74,901**	**23,999**	**99,609**
As at 1 January 2013	18	**709**	**74,901**	**23,999**	**99,609**
Net profit for the period		-	-	13,994	**13,994**
Dividend for 2012	7	-	-	(10,039)	**(10,039)**
As at 31 December 2013 (audited)	**18**	**709**	**74,901**	**27,954**	**103,564**

All figures in thousands of EUR, unless stated otherwise

STATEMENT OF CASH FLOWS
ASSECO CENTRAL EUROPE, a. s.

	Note	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Cash flows - operating activities			
Pre-tax profit from continuing operations and profit (loss) on discontinued operations		15,457	13,616
Total adjustments:			
Depreciation and amortization	2	2,384	2,367
Changes in working capital	25	(7,573)	313
Interest income and expense		(206)	(377)
Gain on investing activities (including dividends)		(9,151)	(7,438)
Profit on disposal of intangible assets		(8)	(109)
Other		(120)	24
Net cash generated from operating activities		**783**	**8,396**
Corporate income tax paid		(362)	(497)
Net cash provided by (used in) operating activities		**421**	**7,899**
Cash flows - investing activities			
Proceeds from disposal of tangible fixed assets and intangible assets		52	220
Acquisition of tangible fixed assets and intangible assets		(361)	(554)
Acquisition of other financial assets	16	-	(4,016)
Acquisition of subsidiary companies		(9)	(25)
Acquisition of additional interest in subsidiaries		-	(3,836)
Proceeds from sale of other financial assets	16	3,330	-
Proceeds from sale of investment in subsidiaries	14	2,000	2,360
Settlement of derivative financial instrument		32	(35)
Loans granted	15	(1,081)	(1,955)
Loans collected	15	-	1,480
Interest received		399	375
Dividends received		8,796	7,736
Net cash provided by (used in) investing activities		**13,158**	**1,750**
Cash flows - financing activities			
Finance lease commitments paid		(6)	(23)
Dividends paid to shareholders of the parent entity		(10,039)	(14,098)
Net cash provided by (used in) financing activities		**(10,045)**	**(14,121)**
Increase (decrease) in cash and cash equivalents		3,534	(4,472)
Cash and cash equivalents as at 1 January		12,737	17,209
Cash and cash equivalents as at 31 December	**17**	**16,271**	**12,737**

All figures in thousands of EUR, unless stated otherwise 10

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

I. GENERAL INFORMATION

Asseco Central Europe, a. s. (the "Company", "Parent Company", "Issuer") is a joint-stock company with its registered seat at ul. Trencianska 56/A, 821 09 Bratislava, Slovakia.

The Company was established on 16 December 1998. The original name of the company ASSET Soft, a. s. was changed to Asseco Slovakia, a. s. in September 2005. The new Company’s name was registered in the Commercial Register on 21 September 2005. On 28 April 2010, the Company changed its name from Asseco Slovakia, a. s. to Asseco Central Europe, a. s. and registered it in the Commercial Register of the Slovak Republic on the same day.

Since 10 October 2006, the Company's shares have been listed on the main market of the Warsaw Stock Exchange.

The parent company of Asseco Central Europe, a. s. is Asseco Poland SA (the higher-level parent company). As at 31 December 2013, Asseco Poland SA held a 93.51% stake in the share capital of Asseco Central Europe, a. s. Asseco Poland SA increased share as a result within a public offering based on a prospectus published on 12 November 2012 for a swap of shares of Asseco Central Europe, a. s. for shares of Asseco Poland SA.

The period of the Company's operations is indefinite. Asseco Central Europe, a. s. is the parent company of the Asseco Central Europe Group (the "ACE Group"). The business profile of Asseco Central Europe, a. s. includes software and computer hardware consultancy, production of software, as well as supply of software and hardware. According to the classification adopted by the Warsaw Stock Exchange, the Company’s business activity is classified as "information technology".

In addition to comprehensive IT services, the Company also sells goods including computer hardware. The sale of goods conducted is to a large extent connected with the provision of software implementation services. These financial statements provide a description of the Company's core business broken down by relevant segments.

These financial statements cover the period of 12 months ended 31 December 2013 and contain comparative data for the period of 12 months ended 31 December 2012 in the case of the profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 31 December 2012 in the case of the statement of financial position.

The Company prepares its financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union ("IFRS") for the current and comparative period. Asseco Central Europe, a. s. has applied the IFRS since 2006.

II. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING FINANCIAL STATEMENTS

1. Basis for preparation of financial statements

The financial statements were prepared in accordance with the historical cost principle, except for derivative financial instruments which were measured at their fair value.

The presentation currency of these financial statements is euro (EUR), and all figures are presented in thousands of euro (EUR), unless stated otherwise.

These financial statements were prepared on a going-concern basis, assuming the Company will continue its business activities in the foreseeable future.

Up to the date of approval of these financial statements, no circumstances indicating a threat to the Company's ability to continue as a going concern have been identified.

2. Compliance statement

These financial statements have been prepared in accordance with International Financial Reporting Standards endorsed by the European Union ("IFRS"). At the date of authorisation of these financial statements, in light of the current process of IFRS endorsement in the European Union and the nature of the Group's activities, there is a difference between International Financial Reporting Standards and International Financial Reporting Standards endorsed by the European Union. The Group applied the possibility existing for the companies applying International Financial Reporting Standards endorsed by the EU , to apply IFRS 10, IFRS 11, IFRS 11, restated IAS 27 and IAS 28 for the reporting periods beginning on 1 January 2014. IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

3. Significant accounting judgments, estimates and assumptions

Preparing financial statements in accordance with IFRS requires making judgements, estimates and assumptions which affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Although the estimates and assumptions have been adopted on the basis of the Company management's best knowledge of the current activities and occurrences, the actual results may differ from those anticipated.

In the 12 months period ended 31 December 2013, the Company's approach to making estimates was not subject to any substantial changes on the prior periods. Details of the main areas subject to accounting estimates and management's professional judgment, whose estimates, if changed, could significantly affect the Company's future results, are given below.

i Operating cash flows assumed for valuation of IT contracts as well as measurement of their completion

The Company executes a number of contracts for construction and implementation of information technology systems. Additionally, some of those contracts are denominated in foreign currencies. Valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of income and expenses and to provide the fair value of the embedded currency derivatives; it also requires measurement of the progress of contract execution. The progress of contract execution is measured as a relation of costs already incurred (provided such costs contribute to the progress of the work) to the total costs planned, or as a portion of man-days worked out of the total work-output required.

Assumed future operating cash flows are not always consistent with the agreements with customers or suppliers due to modifications of IT projects implementation schedules. As at 31 December 2013, receivables from the valuation of IT contracts amounted to EUR 902 thousand, while liabilities due to such valuations equalled EUR 1,301 thousand. As at 31

December 2013, there were no embedded financial derivatives recognized in financial liabilities.

ii Rates of depreciation and amortization

The level of depreciation and amortization rates is determined on the basis of the anticipated period of useful economic life of the components of tangible and intangible assets. The Company verifies the adopted periods of useful life on an annual basis, taking into account the current estimates.

iii Impairment test of financial and non-financial assets

The Board of Directors regularly reviews whether there exist indicators of impairment of financial and non-financial assets.Amongst other the Company considered as a potential impairment indicator its market capitalization and dividends payments from subsidiaries. Upon assessment of triggering events, the Company concluded there were indicators of impairment related to its financial investments. The Company therefore tested its financial investments on impairment. This task required making estimates of value in use of financial investments. The value in use is estimated by determination of the future cash flows expected to be generated by the investments and determination of a discount rate to be used in order to calculate net present value of those cash flows. As at 31 December 2013, the carrying amount of financial investments was EUR 64,758 thousand. Refer to the Note 10 for details. As at 31 December 2013 market capitalization of Asseco Central Europe, a.s. presented amount of EUR 104,838 thousand.

4. Changes in the accounting principles applied

The accounting principles (policy) adopted in preparation of these interim condensed financial statements are consistent with those applied for preparation of financial statements as at 31 December 2012, except for applying following amendments to standards and new interpretations effective for periods beginning on or after 1 January 2013. The Company applied all Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as adopted by the European Union (“EU”) that are relevant to the Company’s operations.

- Amendments to IAS 19 Employee Benefits - effective for financial years beginning on or after 1 January 2013
- Amendments to IAS 19 concerning defined benefit plans are connected with i.e.: elimination of corridor approach, implementation of the requirement of immediate recognition of changes in plan assets/liabilities and immediate recognition of past service cost, recognition actuarial gains/losses in other comprehensive income and new disclosures.
- Amendments are also implementing changes in connection with split into short- and long-term employee benefits.
- Amendments to IAS 1 Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income - effective for financial years beginning on or after 1 July 2012,
- Changes in grouping items presented in other comprehensive income. Other comprehensive income to be reclassified to profit or loss are presented separately from items not reclassified to profit or loss.
- Amendments to IAS 12 Income Taxes: Deferred Tax: Recovery of Underlying Assets – effective for financial years beginning on or after 1 January 2012 – in EU effective at the latest for financial years beginning on or after 1 January 2013,
- Amendments to IFRS 1 First–time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First–time Adopters – effective for financial years beginning on or after 1 July 2011 – in EU effective at the latest for financial years beginning on or after 1 January 2013,

- Amendment to IFRS 1 is not applicable for the Company.
- IFRS 13 Fair Value Measurement - effective for financial years beginning on or after 1 January 2013,
- IFRS 13 Establishes a single set of principles on how to determine fair value of financial and non-financial assets and liabilities, when required or permitted under IFRS. IFRS 13 does not influence on the obligation of the situation when the measurement at fair value is required. Regulations of IFRS 13 are applicable both to the initial measurement and after the initial recognition.
- Requires new disclosures on valuation techniques and inputs used to determine fair values and the effect of certain inputs on fair value measurement
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine - effective for financial years beginning on or after 1 January 2013,
- Amendment to IFRS 1 is not applicable for the Company.
- Amendments to IFRS 7 Financial Instruments – Disclosures: Offsetting Financial Assets and Financial Liabilities - effective for financial years beginning on or after 1 January 2013,
- Additional quantitative and qualitative disclosures relating to transfers of financial assets when:
  - Financial assets are derecognised in their entirety, but there is a continuing involvement in them (e.g., options or guarantees on the transferred assets)
  - Financial assets are not derecognised in their entirety
- Amendments to IFRS 1 First–time Adoption of International Financial Reporting Standards: Government Loans – effective for financial years beginning on or after 1 January 2013,
- Amendment is not applicable for the Company.
- Improvements to IFRSs (issued in May 2012) – effective for financial years beginning on or after 1 January 2013 ,
- IAS 1 - The amendment clarifies the difference between voluntary additional comparative information and the required minimum comparative information,
- IAS 16 –The amendment clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory
- IAS 32 – The amendment removes existing income tax requirements from IAS 32 Financial Instruments: Presentation and requires entities to apply the IAS 12 requirements to any income taxes arising from distributions to equity holders
- IAS 34 - The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. In accordance with the Amendment total assets and liabilities for a particular reportable segment need to be disclosed only when: the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity’s previous annual financial statements for that reportable segment

The Amendments have no material impact on the Company’s financial position, comprehensive income and the scope of information presented in the Company’s financial statements.

The Company has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

5. New standards and interpretations published but not yet in force

Standards issued but not yet effective or not yet adopted by the EU up to the date of issuance of the Company’s financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

- The first phase of IFRS 9 *Financial Instruments: Classification and Measurement* and subsequent amendments – effective date postponed by IASB without proposing potential deadline for endorsement,
- IFRS 10 *Consolidated Financial Statements* – effective for financial years beginning on or after 1 January 2013, – in EU effective at the latest for financial years beginning on or after 1 January 2014. Entity decided to apply IFRS for the periods beginning on 1 January 2014. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. Given the absolute size of the Company's shareholding in its entities, the Management does not expect any significant impact resulting from changes in the respective standards. All the subsidiaries will continue to be fully consolidated and the associates will be accounted for using the equity method. Refer to Note 11 for the details of the Company's shareholding in its individual subsidiaries and associates
- IFRS 11 *Joint Arrangements* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014. Entity decided to apply IFRS for the periods beginning on 1 January 2014. The Company is not involved in any Joint Ventures as at 31 December 2013 therefore the Management does not expect any impact resulting from the changes in the respective standard,
- IFRS 12 *Disclosure of Interests in Other Entities* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014,. Entity decided to apply IFRS for the periods beginning on 1 January 2014. The standard has been amended to require specific disclosures about subsidiaries that are not consolidated because they are subsidiaries of an investment entity. This does not apply to Asseco Central Europe, a.s. therefore the Management does not expect any significant impact resulting from this change,
- Amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* - effective for financial years beginning on or after 1 January 2013 in EU effective at the latest for financial years beginning on or after 1 January 2014,

- IAS 27 *Separate Financial Statements* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014. Entity decided to apply IAS for the periods beginning on 1 January 2014,
- IAS 28 *Investments in Associates and Joint Ventures* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014. Entity decided to apply IAS for the periods beginning on 1 January 2014,
- Amendments to IAS 32 *Financial Instruments – Presentation: Offsetting Financial Assets and Financial Liabilities*- effective for financial years beginning on or after 1 January 2014,
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* (issued on 31 October 2012) – effective for financial years beginning on or after 1 January 2014.
- IFRIC 21 *Levies* – effective for financial years beginning on or after 1 January 2014 – not endorsed by EU till the date of approval of these financial statements,
- Amendments to IAS 36 *Recoverable Amounts Disclosures for Non-Financial Assets* (issued on 29 May 2013) – effective for financial years beginning on or after 1 January 2014,

- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting (issued on 27 June 2013)* – effective for financial years beginning on or after 1 January 2014,
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions (issued on 21 November 2013)* – effective for financial years beginning on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements,
- *Annual Improvements to IFRSs 2010-2012* – some amendments effective for financial years beginning on or after 1 July 2014 and some effective prospectively for transactions occurring on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements,
- *Annual Improvements to IFRSs 2011-2013* – effective for financial years beginning on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements,

IFRS 14 *Regulatory Deferral Accounts* – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements.

The management of the Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The management of the Company does not expect these standards, revisions and interpretations to have a significant impact on the Company´s financial statements. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company. The management of the Company does not expect these standards, revisions and interpretations to have a significant impact on the Company's financial statements.

6. Summary of major accounting principles

i. Translation of items expressed in foreign currencies

The functional currency of the Company as well as the reporting currency used in these financial statements is the euro (EUR).

Transactions denominated in foreign currencies are initially recognized at the functional currency exchange rate of the transaction date. Assets and liabilities expressed in foreign currencies are restated at the functional currency exchange rate of the balance sheet date. Foreign currency non-monetary items valued at historical cost are restated at the exchange rate as at the initial transaction date. Foreign currency non-monetary items valued at fair value are restated using the exchange rate as of the date when such fair value is determined.

The following exchange rates were applied for the purpose of valuation in the statement of financial position:

Currency	As at 31 Dec 2013	As at 31 Dec 2012
EUR	1.00000	1.00000
USD	1.37910	1.31940
CZK	27.42700	25.15100
GBP	0.83370	0.81610
HUF	297.04000	292.30000
PLN	4.15430	4.07400

ii. Property, plant and equipment

All figures in thousands of EUR, unless stated otherwise 16

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment write-downs. Any costs incurred after a tangible asset has been commissioned to use, such as costs of repairs and technical inspections, or operating fees, are expensed in the reporting period in which they were incurred. At the time of purchase, tangible assets are divided into components of significant value for which separate periods of useful life may be adopted. General overhaul expenses constitute a component of assets as well.

Such assets are depreciated using the straight-line method over their expected useful lives which are as follows:

Type	Period of useful life
Buildings and structures	12-20
Machinery and technical equipment	4-12
Transport vehicles	3-6
Computer hardware	4-12

The appropriateness of the periods of useful life and residual values applied is subject to annual review which results in relevant adjustments to the depreciation charges to be made in the subsequent years.

A tangible asset may be derecognized from the statement of financial position after it is disposed of or when no economic benefits are expected from its further use. Gain/loss on disposal of a tangible fixed asset is assessed by comparing the proceeds from such a disposal against the present book value of such an asset, and it is accounted for as an operating income/expense. Any gains or losses resulting from derecognition of a given item of property, plant and equipment from the statement of financial position (calculated as a difference between the net cash obtained from sales and the book value of this item) are recognized in the profit and loss account in the period in which the derecognition from the accounting books was made.

Investments in progress relating to tangible assets under construction are recognized at purchase price or production cost, decreased by any eventual impairment write-downs. Tangible assets under construction are not depreciated until their construction is completed and they are commissioned into use.

iii. Intangible assets

Purchased separately or acquired as a result of merger of companies

Intangible assets purchased in a separate transaction are measured at initial recognition as cost. Intangible assets acquired as a result of a merger are measured at their fair value as at the date of merger.

The period of useful life of an intangible asset is assessed and classified as definite or indefinite. Intangible assets with a definite period of useful life are amortized using the straight-line method over the expected useful life, and amortization charges are expensed appropriately in the profit and loss account. The periods of useful life, being the basis for determination of amortization rates, are subject to annual verification and, if needed, they are adjusted starting from the next financial year. Below are the periods of useful life adopted for intangible assets:

Type	Period of useful life
Cost of development work	2-5
Computer software	2-8
Patents and licences	2-8
Customer relations	2-7
Other	2-5

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Except for development work, intangible assets produced by the Company on its own are not capitalized, but the expenditures on their production are expensed in the profit and loss account for the period in which they were incurred.

Research and development work

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to reliably measure the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied, requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Any gain or loss resulting from derecognition of an intangible asset from the statement of financial position (calculated as the difference between the net cash obtained from sales and the book value of such item) is disclosed in the profit and loss account for the period in which such derecognition was effective.

iv. Leasing

Finance lease agreements, under which substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Company, at the commencement of the lease term are recognized as assets and liabilities in the statement of financial position at the amounts equal to the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability so as to obtain a constant periodic rate of interest on the remaining balance of the liability. Financial expenses are charged as expenses directly in the profit and loss account.

Property, plant and equipment used under finance lease agreements are subject to depreciation over the estimated useful life or the leasing period, whichever is shorter.

Leasing agreements, whereby the lessor retains substantially all the risks and rewards incidental to ownership of the leased asset, are treated as operating leasing. Lease payments under an operating leasing are recognized as expenses in the profit and loss account on a straight-line basis over the leasing period.

v. Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired. Should there be any indications of impairment, the Company estimates the recoverable value. If the book value of a given asset exceeds its recoverable value, impairment charges are made reducing the book value to the level of the recoverable value. The recoverable value is the higher of the following two values: fair value of an asset or cash-generating unit less selling expenses, or value in use determined for an asset if such an asset generates cash flows significantly independent from cash flows generated by other assets or other groups of assets or other cash-generating units.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the profit and loss account in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

Impairment tests are performed annually for intangible assets with an indefinite period of useful life, assets under construction and those which are no longer in use. The remaining intangible assets are tested for impairment if there are indications of a possible impairment in value. If the book value exceeds the estimated recoverable value (whichever is the higher of the two following values – net sales price or value in use), the value of these assets are to be reduced to the recoverable value.

vi. Subsidiaries, Associated Companies and Joint Ventures

Securities and shares in subsidiaries, associated companies and joint ventures which are not classified as held-for-sale are recognized at the carrying value representing acquisition cost less potential accumulated losses of impairment.

Securities and shares in subsidiaries, associated companies and joint ventures classified as held-for-sale are recognized at whichever is the lower of carrying value or fair value less disposal costs

vii. Financial instruments

Financial instruments are divided into the following categories:

- Financial assets held to maturity,
- Financial instruments valued at fair value through profit or loss,
- Loans granted and receivables,
- Financial assets available for sale, and
- Financial liabilities.

All the financial assets are initially recognized at the purchase price equal to fair value of the effective payment, including the costs related to the purchase of a financial asset, except for financial instruments valued at fair value through profit or loss.

Financial assets held to maturity are investments with identified or identifiable payments and with a fixed maturity date which the Company intends and is able to hold to maturity. Financial assets held to maturity are valued at amortized cost using the effective interest rate. Financial assets held to maturity are classified as non-current assets if their maturity exceeds 12 months from the balance sheet date.

Financial instruments acquired in order to generate profits owing to short-term price fluctuations are classified as financial instruments valued at fair value through profit or loss. Financial instruments valued at fair value through profit or loss are measured at fair value taking into account their market value as at the balance sheet date. Changes in these financial instruments are recognized as financial income or expenses. Financial assets valued at fair value through profit or loss are classified as current assets, provided the Board of Directors intends to dispose them within 12 months from the balance sheet date.

Loans granted and receivables are carried at amortized cost. They are recognized as current assets unless their maturity periods are longer than 12 months from the balance sheet date. Loans granted and receivables with maturity periods longer than 12 months from the balance sheet date are recognized as non-current assets.

Any other financial assets constitute financial assets available for sale. Financial assets available for sale are carried at fair value, without deducting the transaction-related costs, taking into consideration their market value as at the balance sheet date. If the financial instruments are not quoted on an active market and it is impossible to determine their fair value reliably with alternative methods, financial assets available for sale are valued at the purchase price adjusted by impairment charges. Provided financial instruments have a market price determined in a regulated active market, or it is possible to determine their fair value in other reliable way, the positive and negative differences between the fair value and the purchase price of such assets available for sale (after deducting any deferred tax liabilities) is recognized in the asset revaluation reserve. A decrease in the value of assets available for sale, resulting from their impairment, is recognized as a financial expense in the profit and loss account.

Purchases or disposals of financial assets are recognized in the accounting books at the transaction date. At the initial recognition they are valued at purchase price; this is at fair value plus the transaction-related costs.

Financial liabilities other than financial instruments valued at fair value through profit or loss are measured at amortized cost using the effective interest rate.

A financial instrument are derecognized from the statement of financial position if the Company no longer controls the contractual rights arising from such instrument; this usually takes place when the instrument is sold or when all the cash flows to be generated by this instrument are transferred to an independent third party.

viii. Trade accounts receivable

Trade accounts receivable, usually with payment terms ranging from 14 and 30 days, are recognized and disclosed at the amounts initially invoiced, less any allowances for uncollectible receivables. Such an allowance for doubtful accounts is determined if it is no longer probable that the entire receivable amount will be collected. Doubtful accounts are expensed in the profit and loss account at the time when they are deemed uncollectible.

Where the effect of the value of money in time is material, the value of accounts receivable is measured by discounting the expected future cash flows to their present value, using a pre-tax discount rate that reflects current market assessments of the value of money in time. If the discounting method is used, the increase in receivables over time is booked as financial income.

ix. Cash and short-term deposits

Cash and cash equivalents presented in the statement of financial position consist of cash kept in banks and in hand by the Company, current cash deposits with a maturity not exceeding 3 months, and other highly liquid instruments.

The balance of cash and cash equivalents disclosed in the financial statement of cash flows consists of the cash and cash equivalents as defined above. For the purposes of the statement of cash flows, the Company decided not to present current account credits (used as an element of financing).

x. Trade accounts payable

Trade accounts payable relating to operating activities are recognized and disclosed at the amounts stated on the invoices as received, and are recognized in the reporting periods to which they relate. Other liabilities to a significant extent also relate to operating activities although, in contrast to trade accounts payable, they were not invoiced.

xi. Derivative financial instruments and hedges

In order to hedge against the risk of changes in foreign currency exchange rates and in interest rates, the Company utilizes currency forward contracts. Such financial derivatives are measured at fair value. Derivative instruments are recognized as assets or liabilities depending on whether their value is positive or negative.

Fair value of currency forward contracts is determined on the basis of the forward exchange rates currently available for contracts with similar maturity.

Gains and losses on changes in fair value of derivatives are recognized directly in profit or loss for the current financial reporting period, due to the fact that the Company does not use financial instruments which are qualified for hedge accounting.

xii. Impairment of financial assets

At each balance sheet date, the Company determines if there are any objective indications of impairment of a financial asset or group of financial assets.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans or receivables valued at amortized cost has been incurred, the amount of the impairment write-down is measured as the difference between the asset's book value and the present value of estimated future cash flows (excluding future bad debt losses that have not yet been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of such assets is reduced either directly or by establishing an impairment write-down. The amount of the loss is recognized in the profit and loss account.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and assesses them collectively for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of a group of assets for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. This reversal of the impairment write-down is recognized in profit or loss to the extent that the carrying amount of the financial asset does not exceed its amortized cost at the date the impairment is reversed.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative instrument that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset involved and the present value of estimated future cash flows discounted at the current market rate of return for similar financial assets.

Financial assets available for sale

When there is objective evidence that a financial asset available for sale is impaired, then the amount of difference between the purchase cost of the asset (net of any principal repayments and amortization) and its current value decreased by any impairment charges on that financial asset, as previously recognized in profit or loss, is derecognized from equity and recognized in the profit and loss account. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, then the amount of such an impairment loss is reversed in the profit and loss account.

xiii. Inventories

Inventories are valued at the whichever is the lower of the following two values: purchase price/production cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Company measures the cost of inventories consumed by using the specific identification method. Revaluation write-downs of inventories are recognized in operating expenses.

xiv. Deferred expenses

Deferred expenses comprise expenses incurred before the balance sheet date that relate to future periods.

In particular, deferred expenses may include the following items:

- rent paid in advance,
- insurances,
- subscriptions,
- prepaid third-party services to be provided in future periods,
- other expenses incurred that relate to future periods.

xv. Accrued expenses and deferred income

Accrued expenses are recognized in profit and loss in the amount of the probable obligations related to the current reporting period, in particular resulting from the supplies delivered / services rendered to the entity by its contractors, and the obligation's amount can be reliably valued.

Similarly to the provisions for liabilities, accruals' amounts are estimated. While preparing the estimates, the generally accepted trade practices should be considered.

Amortization of accruals may fall according to the time or volumes of supplies / services. Time and manner of amortization schedule is justified with the nature of the costs amortized, with respect to the prudence principle.

Liabilities recognized as accruals decrease the costs of the reporting period in which it was stated that they would not occur.

Deferred income (unearned revenues) relates mainly to prepayments received for the provision of maintenance services in future periods. The Company applies deferred expenses or deferred income accounts if such income or expenses relate to future reporting periods. By contrast, accrued expenses are disclosed in the amount of probable liabilities relating to the present reporting period.

Accrued expenses and deferred income are presented in the statement of financial position as non-current and current liabilities.

xvi. Revenues and expenses related to completion of implementation contracts

Sales of services executed under a contract which, as at the balance sheet date, are not completed but provided to a considerable extent are recognized at the balance sheet date proportionally to the percentage of completion of such services, on condition that the amount of revenue can be determined in a reliable way. The progress of contract execution is measured as a percentage of the total estimated contract execution costs incurred from the date of contract conclusion to the date when the related revenues are being determined, or as a portion of work completed out of the total work effort required. When determining the contract execution costs incurred up to the balance sheet date, any expenses for future activities related to the contract are not taken into account. These are disclosed as deferred expenses.

If it is impossible to reliably estimate the progress of a service execution as at the balance sheet date, sales revenues are recognized in the amount of costs incurred in the reporting period; however, this is limited to the amount of costs that are likely to be paid by the ordering party in the future.

In the event that it is probable that the total contract execution costs exceed the total contract revenues, the anticipated loss is recognized as cost in the reporting period in which it is detected.

Production costs of unfinished services comprise the costs incurred since the effective date of relevant agreement to the balance sheet date. Production costs incurred prior to concluding the agreement and which are related to the subject matter thereof are capitalized, provided they are likely to be covered with future revenues received from the ordering party.

If the progress of costs incurred deducted by expected losses and increased by profits included in the profit and loss account exceeds the progress of invoiced sales, the amount of non-invoiced sales constituting this difference is presented as other receivables.

On the other hand, if the progress of invoiced sales exceeds the proportion of costs incurred, decreased by expected losses and increased by profits included in the profit and loss account, future-related (unearned) revenues resulting from such difference are disclosed as other liabilities.

xvii. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects that the expenditure required to settle a provision is to be reimbursed, e.g. under an insurance contract, this reimbursement is recognized as a separate asset when, and only when, it is virtually certain that such reimbursement will be received. The expense relating to such a provision is presented in the profit and loss account, net of the amount of any reimbursements.

The Company recognizes provisions for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Where the effect of the value of money in time is material, the amount of a provision is determined by discounting the expected future cash flows to their present value, using a pre-tax discount rate that reflects current market assessments of the value of money in time and the risks related to the liability. Where the discounting method is used, the increase in a provision due to the passage of time is recognized as borrowing costs.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or the service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

xviii. Equity

Shareholders' equity is presented at nominal value. Shareholders' equity comprises the following items:

- share capital, presented in the amount of capital contributions made and paid up,
- share premium from the sale of shares over their par value,

- other comprehensive income,
- retained earnings, including the net profit for the reporting period.

xix. Sales revenue

The accounting principles relating to recognition of sales revenues from execution of IT contracts have been already described above. Sales revenues are recognized in the amount reflecting the probable economic benefits associated with the transaction to be obtained by the Company and when the amount of revenue can be measured reliably.

While recognizing sales revenue the following criteria are also taken into account:

Sales revenue

Revenue is recognized if the significant risks and benefits resulting from ownership of products have been transferred to the buyer and when the amount of revenue can be reliably measured. Sales of computer software services (implementations, modifications and maintenance) are recognized systematically over the term of relevant contracts. On the other hand, revenues from sale of implementation services are recognized based on the percentage of their completion. Sales of services executed under a contract which, as at the balance sheet date, are not completed but provided to a considerable extent are recognized at the balance sheet date proportionally to the percentage of completion of such services, on condition that the amount of revenue can be determined in a reliable way. The progress of contract execution is measured as a percentage of the total estimated contract execution costs incurred from the date of contract conclusion to the date when the related revenues are determined, or as a proportion of work completed out of the total work effort planned. If it is impossible to estimate reliably the result of the contract, the revenues are only recognized in the amount of costs incurred which the Company expects to recover.

Interest income

Interest income is recognized on a time-proportion basis (taking into account the effective yield - the interest rate which accurately discounts future cash flows during the estimated period of use of a financial instrument to the net book value of such a financial asset).

Interest income comprises interest on loans granted, investments in securities held to maturity, bank deposits and other items, as well as the discounts of costs (liabilities) according to the method of the effective interest rate.

Dividends

Dividends are recognized when the shareholders' right to receive payment is vested.

xx. Operating costs

The Company maintains cost accounting both by cost nature and by cost function. Cost of sales comprises the costs resulting directly from purchases of merchandise sold and generation of services sold. Selling expenses include the costs of distribution activities. General administrative expenses include the costs of the Company's management and administration activities.

xxi. Payroll expenses and costs of social and other insurance

The Company provides short-term employee benefits (mainly comprising payroll expenses, costs of medical, health and social security as well as the costs of creating the social fund). Over the course of the year, the Company makes contributions to social and health insurance from the gross wages paid, as well as contributions to the unemployment fund as per the statutory rates. The costs of the contributions are posted in the profit and loss account in the same period as the relevant payroll expenses.

In respect of employees who opted to participate in the programme of supplementary pension insurance, the Company contributes an amount of up to 2.5% of the total monthly tariff wage for these purposes.

No pension scheme is currently in operation in the Company.

xxii. Income tax and value added tax

For the purposes of financial reporting, deferred income tax is calculated applying the balance sheet liability method to all temporary differences that exist, at the balance sheet date, between the tax base of an asset or liability and its carrying amount in the statement of financial position. Deferred income tax provisions are established in relation to all positive temporary differences – except for situations when a deferred tax provision arises from an initial recognition of goodwill or initial recognition of an asset or liability on a transaction other than a combination of companies which, at the time of its conclusion, has no influence on pre–tax profit, taxable income or tax loss, as well as in relation to positive temporary differences arising from investments in subsidiary or associated companies or from participation in joint ventures – except for situations when the investor is able to control the timing of reversal of such temporary differences and when it is probable that such temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized in relation to all negative temporary differences, as well as unutilized deferred tax assets or unutilized tax losses carried forward to subsequent years, in such an amount that it is probable that future taxable income will be sufficient to allow the above temporary differences, assets or losses to be utilized. This does not apply to situations when deferred tax assets related to negative temporary differences arise from the initial recognition of an asset or liability on a transaction other than a combination of companies which, at the time of its conclusion, has no influence on pre-tax profit, taxable income or tax loss. Furthermore, in the event of negative temporary differences arising from investments in a subsidiary or associated companies or from participation in joint ventures, deferred tax assets are recognized in the statement of financial position in such amounts only that it is probable that the above temporary differences will be reversed in the foreseeable future and that sufficient taxable income will be available to offset such negative temporary differences.

The book value of an individual deferred tax asset is verified at every balance sheet date and is duly decreased or increased to reflect any changes in the estimates of achieving taxable profit sufficient to utilize the deferred tax asset partially or entirely.

Deferred tax assets and deferred tax provisions are valued using the future tax rates anticipated to be applicable at the time when a deferred tax asset is realized or a deferred tax provision is reversed, the basis for which are the tax rates (and tax regulations) legally or factually in force at the balance sheet date.

Income tax relating to items that are directly recognized in equity is recognized under equity and not in the profit and loss account. Revenues, expenses and assets are recognized in the amounts excluding value added tax unless:

- value added tax paid at the purchase of merchandise or services is not recoverable from the tax authorities; in such an event the value added tax paid is recognized as a part of the purchase price of an asset or as an expense, and
- receivables and liabilities are presented including value added tax.

The net amount of value added tax which is recoverable from or payable to the tax authorities is included in the statement of financial position as a part of receivables or liabilities to the state budget.

III. INFORMATION ON SEGMENTS

The Company operates in the sector of information technologies and telecommunications. Because the main business activities have a similar character, there is no reason to adopt the standard relating to segmental information. The organizational structure is homogeneous, without any independent part that would operate on different activities. On the base of the above, the Company declares itself as one business segment.

The Company operates in more economic regions, but almost 72% of revenues come from the Slovak Republic. The rest are from the Czech Republic, where Asseco Central Europe has the international branch and from other European countries are included in the financial statements submitted.

Geographical sectors are distinguished by the Company's geographical operations where economic activities are being conducted.

The numbers in the tables below are after inter-company eliminations, and dividends are seen directly in the net profit of the reportable segment.

For 12 months ended 31 December 2013 and as at 31 December 2013 (audited)	**Slovak market**	**Czech/other market**	**Total**
Sales revenues			
Sales to external customers	25,391	9,924	**35,315**
Operating profit of reportable segment	**4,439**	**1,687**	**6,126**
Interest income	207		207
Interest expense	-	-	-
Corporate income tax	**(1,058)**	**(405)**	**(1,463)**
Non-cash items:			
Depreciation and amortization	(2,384)	-	(2,384)
Impairment write-downs on segment assets	502	-	502
Net profit of reportable segment	**12,712**	**1,282**	**13,994**
Segment assets	111,855	5,323	**117,178**
Segment capital expenditures	**(369)**	**-**	**(369)**

The impairment write-downs on segment assets of EUR 502 thousand comprise allowances for receivables of EUR 108 thousand and reversal of allowances for receivables of EUR 490, for intangibles of EUR 95 thousand and reversal of allowances for vehicles of EUR 25.

The increase in Segment assets in the Czech/other market in 2013 compared to 2012 was caused by sale for Českomoravská stavební spořitelna, a.s.

All figures in thousands of EUR, unless stated otherwise 26

For 12 months ended 31 December 2012 and as at 31 December 2012 (audited)	Slovak market	Czech/other market	Total
Sales revenues			
Sales to external customers	22 236	8 773	**31 009**
Operating profit (loss) of reportable segment	**4 257**	**1 667**	**5 924**
Interest income	377		377
Interest expense	-	-	-
Corporate income tax	**(820)**	**(333)**	**(1 153)**
Non-cash items:			
Depreciation and amortization	(2 367)	-	(2 367)
Impairment write-downs on segment assets	(199)	-	(199)
Net profit (loss) of reportable segment	**11 129**	**1 334**	**12 463**
Segment assets	106 433	2 316	**108 749**
Segment capital expenditures	**(579)**	**-**	**(579)**

All figures in thousands of EUR, unless stated otherwise

IV. NOTES TO THE FINANCIAL STATEMENTS

1. Sales revenue

In 2013 and the corresponding comparative period, the operating revenues were as follows:

Sales revenues by type of business	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Proprietary software and services	26,282	23,782
Third-party software and services	3,452	4,140
Computer hardware and infrastructure	5,581	3,087
	35,315	**31,009**

Sales revenues by sectors	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Banking and finance	18,354	14,938
Enterprises	2,074	2,196
Public institutions	14,887	13,875
	35,315	**31,009**

The increase in Sales revenues by Banking and finance sectors in 2013 in comparison to 2012 was caused by the services provided for Českomoravská stavební spořitelna, a.s. in amount of EUR 4,070 thousand (EUR 1,591 thousand in 2012) and by sale of StarCARD licence for DanubePay, a.s. in amount of EUR 1,617 thousand.

Sales revenues by territorial structure	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Slovakia	25,391	22,236
Czech Republic	9,800	8,727
Other European countries	124	46
	35,315	**31,009**

All figures in thousands of EUR, unless stated otherwise

2. Operating costs

	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Materials and energy used (-)	(160)	(220)
Costs of goods sold	(7,771)	(6,556)
Third party work (-)	(6,298)	(3,155)
Salaries (-)	(9,551)	(10,482)
Employee benefits, of which (-)	(3,120)	(2,986)
social security contributions (-)	*(1,469)*	*(1,457)*
Depreciation and amortization (-)	(2,384)	(2,368)
Taxes and charges (-)	(12)	(21)
Business trips (-)	(227)	(190)
Change in write-offs (+)/(-)	217	15
Other (-)	-	(1)
	(29,306)	**(25,964)**
Cost of sales:	**(25,709)**	**(21,995)**
production cost (-)	*(17,938)*	*(15,439)*
cost of merchandise, materials and third party work sold (COGS) (-)	*(7,771)*	*(6,556)*
Selling expenses (-)	**(457)**	**(759)**
General administrative expenses (-)	**(3,140)**	**(3,210)**

The decrease in Selling expenses in 2013 (EUR 457 thousand) in comparison to 2012 (EUR 759 thousand) was caused due to lower advertisement costs (EUR 82 thousand) and by decrease in fees for advisory in conclusion of sales contracts (EUR 210 thousand).

3. Other operating income and expenses

Other operating income	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Gain on disposal of tangible fixed assets	8	21
Compensations received	40	32
Income from rental services	75	82
Reversal of allowances of other receivables	78	110
Reversal of other provisions	23	635
Other	4	39
Total	**228**	**919**

All figures in thousands of EUR, unless stated otherwise 29

Other operating expenses	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Charitable contributions for unrelated companies (-)	(14)	(23)
Provision for penalties and compensations	(78)	-
Other (-)	(19)	(17)
Total	**(111)**	**(40)**

Provisions for penalties and compensations in 2013 represents provisions created for contractual penalties, mostly related to delayed project deliveries in 2013.

4. Financial income and expenses

Financial income	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Interest income on loans granted, debt securities and bank deposits	207	377
Gain on exercise of currency derivatives - forward contracts	32	26
Dividends received	9,151	7,438
Other financial income	-	1,450
Total financial income	**9,390**	**9,291**

Other financial income reported in 2012 represents release of the contingent consideration recognized on acquisition of GlobeNet, Zrt in 2010. The financial performance of GlobeNet, Zrt was below the target profit in 2012, hence the Company released the contingent consideration. The contingent consideration was fully released during 2011 and 2012 and whole GlobeNet acquisition was completed as the Company hold 100% share as at 31 December 2012.

Financial expenses	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Interest expense on financial leases (-)	-	(2)
Loss on foreign exchange differences (-)	(59)	(76)
Loss on exercise of currency derivatives - forward contracts	-	(71)
Write-off of investment in subsidiaries, jointly-controlled entities or associates (-)	-	(1,450)
Total financial expenses	**(59)**	**(1,599)**

All figures in thousands of EUR, unless stated otherwise 30

As at 31 December 2012 amount of EUR 1,450 thousand recognized in Write-off of investment in subsidiaries, jointly-controlled entities or associates included an impairment charge on investment in GlobeNet, Zrt as a result of the weaker financial performance, which was also reflected in the release of the contingent consideration.

5. Corporate income tax

The main charges on the pre-tax profit are due to corporate income tax (current and deferred portions):

	12 months ended 31 Dec 2013 (audited)	**12 months ended 31 Dec 2012 (audited)**
Current portion of corporate income tax and prior years adjustments	(1,892)	(715)
Deferred portion of corporate income tax	429	(438)
related to occurrence or reversal of temporary differences	*429*	*(438)*
Income tax expense as disclosed in the profit and loss account, of which:	**(1,463)**	**(1,153)**

Regulations applicable to the value added tax, corporate income tax, personal income tax or social security contributions are subject to frequent amendments, thereby often depriving taxpayers of the possibility to refer to well-established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations on the taxation regulations, either between companies and public administration or between the public administration bodies themselves. Taxation and other settlements (for instance customs duty or currency payments) may be controlled by administration bodies that are entitled to impose considerable fines, and the amounts of the liabilities so determined must be paid with high interest. In effect, the amounts disclosed in the financial statements may later be changed, after the taxes payable are finally determined by the taxation authorities.

Reconcilement of corporate income tax payable on pre-tax profit according to the statutory tax rates with the corporate income tax computed at the Company's effective tax rate.

	12 months ended 31 Dec 2013 (audited)	**12 months ended 31 Dec 2012 (audited)**
Pre-tax profit	**15,457**	**13,616**
Statutory corporate income tax rate	23%	19%
Corporate income tax computed at the statutory tax rate	**3,555**	**2,587**
Income and expenses from valuation of IT contracts	-	-
Non-taxable financial income - dividends	(2,105)	(1,446)
Other non-taxable income and non-deductible expenses	13	12
Corporate income tax computed at the effective tax rate of 9.5% in 2013 and 8.5% in 2012	**1,463**	**1,153**

All figures in thousands of EUR, unless stated otherwise 31

The Company made an estimate of taxable income planned to be achieved in the future and concluded it will make feasible the recovery of deferred income tax assets (net of provisions) in the full amount as at 31 December 2013 and as at 31 December 2012.

The rate of Corporate income tax was 19% in 2012. In 2013 the rate of Corporate income tax increased to 23% and will be decreased to 22% in 2014.

	31 Dec 2013 (audited)	**31 Dec 2012 (audited)**
Tax rate used for calculation deferred income tax	22%	23%
Deferred income tax assets	809	509
Deferred income tax provisions	(116)	(245)
Deferred income tax assets (+)/Deferred income tax provision (-), net	**693**	**264**

All figures in thousands of EUR, unless stated otherwise 32

	Balance Sheet			Profit and Loss Account	
	31 Dec 2013	Mergers and taking control over companies	31 Dec 2012	12 months ended 31 Dec 2013	12 months ended 31 Dec 2012
	(audited)	(audited)	(audited)	(audited)	(audited)
Deferred income tax provision					
Fair-value adjustment to other assets on a ISZP merger in 2010 (know-how)	(106)		(221)	115	53
Valuation of tangible assets at fair value and difference between tax depreciation and accounting depreciation	(10)		(24)	14	-
Deferred income tax provision, gross	**(116)**	**-**	**(245)**		
Deferred income tax assets					
Accrued expenses, provisions and other liabilities	680		258	422	(533)
Balance sheet valuation of IT contracts	-		-	-	-
Receivables allowances	80		178	(98)	50
Other	49		73	(24)	(8)
Deferred income tax assets, gross	**809**	**-**	**509**		
Deferred income tax assets, net	**693**		**264**		
Change in deferred income tax in the period reported, of which				**429**	**(438)**
deferred income tax change recognized in profit or loss				429	(438)

The effect of change in Corporate income tax rate from 23% (2013) to 22% (2014) amounted to EUR 30 thousand. For the calculation of Deferred income tax as at 31 December 2013, tax rate of 22% was used (2012: 23%), due to change in tax rate effective as at 1 January 2014.

All figures in thousands of EUR, unless stated otherwise

6. Earnings per share

Basic earnings per share are computed by dividing the net profit for the period reported, attributable to shareholders of the Company, by the average weighted number of ordinary shares outstanding during that financial period.

Diluted earnings per share are computed by dividing net profit for the financial period, attributable to shareholders of the Company, by the adjusted (due to the diluting impact of potential shares) average weighted number of ordinary shares outstanding during that financial period, adjusted by the factor of conversion of bonds convertible to ordinary shares.

The tables below present net profits and numbers of shares used for calculation of basic and diluted earnings per share:

	12 months ended 31 Dec 2013 (audited)	**12 months ended 31 Dec 2012 (audited)**
Net profit attributable to Shareholders of the Parent Company	**13,994**	**12,463**
Average weighted number of ordinary shares outstanding, used for calculation of basic earnings per share	21,360,000	21,360,000
Dilution factors	-	-
Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share	**21,360,000**	**21,360,000**

Both in the present reporting period and the corresponding period in the prior year, no events took place that would cause dilution of earnings per share.

7. Dividends

In 2013 the Parent Company paid out a dividend to its shareholders for 2012. The Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s. (SK) decided on distribution of the profit and payment of dividend for the year 2012 in the amount of EUR 12,463,447.98 as follows:

2,424,247.98 to leave in the Company and transfer this amount to the account of retained earnings,

10,039,200.00 to split between shareholders as dividends; the dividend per share is EUR 0.47.

All figures in thousands of EUR, unless stated otherwise 34

8. Property, plant and equipment

For 12 months ended 31 December 2013 **(audited)**	**Computers and other office equipment**	**Transport vehicles**	**Other tangible assets**	**Tangible assets under construction**	**Total**
As at 1 January 2013, less depreciation and impairment allowance	**419**	**284**	**16**	**115**	**834**
Additions, of which:	163	275	-	(109)	**329**
Purchases	*163*	*162*	-	*4*	***329***
Other changes	-	*113*	-	*(113)*	***-***
Reductions, of which:	(179)	(169)	(1)	-	**(349)**
Depreciation charge for the reporting period (-)	*(173)*	*(157)*	*(1)*	-	***(331)***
Disposal and liquidation (-)	*(87)*	*(248)*	-	-	***(335)***
Depreciation of Disposals and liquidations	*81*	*211*	-	-	***292***
Impairment write-downs (-)	-	*25*	-	-	***25***
As at 31 December 2013, less depreciation	**403**	**390**	**15**	**6**	**814**
As at 1 January 2013					
Gross value	1,599	1,359	20	115	**3,093**
Depreciation and impairment write-downs (-)	(1,180)	(1,075)	(4)	-	**(2,259)**
Net book value as at 1 January 2013	**419**	**284**	**16**	**115**	**834**
As at 31 December 2013					
Gross value	1,675	1,386	20	6	**3,087**
Depreciation and impairment allowance (-)	(1,272)	(996)	(5)	-	**(2,273)**
Net book value as at 31 December 2013	**403**	**390**	**15**	**6**	**814**

As at 31 December 2013, no tangible fixed assets served as security for bank credit.

All figures in thousands of EUR, unless stated otherwise

For 12 months ended 31 December 2012 **(audited)**	**Computers and other office equipment**	**Transport vehicles**	**Other tangible assets**	**Tangible assets under construction**	**Total**
As at 1 January 2012, less depreciation and impairment allowance	**321**	**267**	**17**	**7**	**612**
Additions, of which:	266	145	-	108	**519**
Purchases	*262*	*145*	-	*112*	***519***
Other changes	*4*	-	-	*(4)*	**-**
Reductions, of which:	(168)	(128)	(1)	-	**(297)**
Depreciation charge for the reporting period (-)	*(168)*	*(128)*	*(1)*	-	***(297)***
Disposal and liquidation (-)	*(33)*	*(151)*	-	-	***(184)***
Depreciation of Disposals and liquidations	*33*	*151*	-	-	***184***
Impairment write-downs (-)	-	-	-	-	**-**
As at 31 December 2012, less depreciation	**419**	**284**	**16**	**115**	**834**
As at 1 January 2012					
Gross value	1,366	1,365	20	7	**2,758**
Depreciation and impairment write-downs (-)	(1,045)	(1,098)	(3)	-	**(2,146)**
Net book value as at 1 January 2012	**321**	**267**	**17**	**7**	**612**
As at 31 December 2012					
Gross value	1,599	1,359	20	115	**3,093**
Depreciation and impairment allowance (-)	(1,180)	(1,075)	(4)	-	**(2,259)**
Net book value as at 31 December 2012	**419**	**284**	**16**	**115**	**834**

As at 31 December 2012, no tangible fixed assets served as security for bank credit.

All figures in thousands of EUR, unless stated otherwise

9. Intangible assets

For 12 months ended 31 December 2013

(audited)	Cost of development work	Computer software	Goodwill on merger	Other	Total
As at 1 January 2013, less amortization and impairment allowance	**34**	**9,292**	**1,083**	**964**	**11,373**
Additions, of which:	-	30	-	-	**30**
Purchases	-	*30*	-	-	***30***
Reductions, of which:	(17)	(1,459)	-	(481)	**(1,957)**
Amortization charge for the reporting period (-)	*(100)*	*(1,472)*	-	*(481)*	***(2,053)***
Release of allowance (+)	*83*	*13*	-	-	***96***
As at 31 December 2013, less amortization	**17**	**7,863**	**1,083**	**483**	**9,446**
As at 1 January 2013					
Gross value	530	11,979	1,083	2,407	**15,999**
Amortization and impairment allowance (-)	(496)	(2,687)	-	(1,443)	**(4,626)**
Net book value as at 1 January 2013	**34**	**9,292**	**1,083**	**964**	**11,373**
As at 31 December 2013					
Gross value	530	12,009	1,083	2,407	**16,029**
Amortization and impairment allowance (-)	(513)	(4,146)	-	(1,924)	**(6,583)**
Net book value as at 31 December 2013	**17**	**7,863**	**1,083**	**483**	**9,446**

As at 31 December 2013, no intangible assets served as security for bank credits.

All figures in thousands of EUR, unless stated otherwise

For 12 months ended 31 December 2012 **(audited)**	**Cost of development work**	**Computer software**	**Goodwill on merger**	**Intangible assets under construction**	**Other**	**Total**
As at 1 January 2012, less amortization and impairment allowance	**51**	**5,560**	**1,083**	**5,160**	**1,445**	**13,299**
Additions, of which:	-	5,250	-	-	-	**5,250**
Purchases	-	*36*	-	-	-	***36***
Transfer from intangible assets under construction	-	*5,214*	-	-	-	***5,214***
Reductions, of which:	(17)	(1,518)	-	(5,160)	(481)	**(7,176)**
Amortization charge for the reporting period (-)	*(119)*	*(1,471)*	-	-	*(481)*	***(2,071)***
Impairment write-downs (-)	-	*(54)*	-	-	-	***(54)***
Transfer to computer software (-)	-	-	-	*(5,160)*	-	***(5,160)***
Release of allowance (+)	*102*	*7*	-	-	-	***109***
As at 31 December 2012, less amortization	**34**	**9,292**	**1,083**	**-**	**964**	**11,373**
As at 1 January 2012						
Gross value	530	6,729	1,083	5,214	2,407	**15,963**
Amortization and impairment allowance (-)	(479)	(1,169)	-	(54)	(962)	**(2,664)**
Net book value as at 1 January 2012	**51**	**5,560**	**1,083**	**5,160**	**1,445**	**13,299**
As at 31 December 2012						
Gross value	530	11,979	1,083	-	2,407	**15,999**
Amortization and impairment allowance (-)	(496)	(2,687)	-	-	(1,443)	**(4,626)**
Net book value as at 31 December 2012	**34**	**9,292**	**1,083**	**-**	**964**	**11,373**

As at 31 December 2012, no intangible assets served as security for bank credits.

Item Transfer to computer software from category Intangible assets under construction of EUR 5,160 thousand comprise the Software licences def 3000/CB purchased from Asseco Poland S.A.

All figures in thousands of EUR, unless stated otherwise

Impairment tests of goodwill from merger

The Parent Company performs an impairment test of goodwill on an annual basis (as at 31 December) and whenever the indicators of impairment exist. For the purpose of goodwill impairment tests, goodwill was allocated to a cash generating unit or a group of cash generating units ("CGU") which benefit from the acquisitions.

Goodwill related to acquisitions of ISZP and MPI Consulting was tested at the CGU level represented by the Healthcare business unit of Asseco Central Europe and the CGU represented by Asseco Central Europe (SK), respectively.

The impairment test of goodwill was conducted by comparing the carrying amount of goodwill and the related CGU with its recoverable amount, being the CGU's value in use. The value in use was determined on the basis of the net present value of estimated cash flows to be generated by the CGU. The cash flows were projected for a 5-year explicit period and, thereafter, to grow at a nominal rate of 2% into perpetuity. The projected cash flows were discounted at a discount rate reflecting risks of each individual CGU. The weighted average cost of capital method was applied to determine the appropriate discount rates.

Upon assessing all the indicators of potential goodwill impairment and performing the impairment testing itself, the Management did not identify any impairment.

The discount rate 9.33% and the terminal growth rates 2%, on a pre-tax basis, were used.

Additionally, the Parent Company carried out a sensitivity analysis for all the CGUs with reference to the goodwill impairment tests conducted. The sensitivity analysis examined the impact of changes on key assumptions of the impairment tests, i.e. (i) the discount rates, (ii) operating margins in the terminal period and (iii) nominal growth rate of cash flows in the terminal period.

The sensitivity analysis revealed that no impairment would be charged even if the assumptions will be changed for both CGUs.

10. Investment in subsidiaries

	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Slovanet a. s.	3,645	3,645
Asseco Solutions, a. s. (Datalock a. s.)	9,295	9,295
DanubePay, a. s.	15	25
Asseco Central Europe, a. s., Czech Republic	34,986	34,986
ASSECO Hungary Zrt.	9	-
Statlogics Zrt.	10,818	10,818
Globenet Zrt.	5,990	5,990
Total	**64,758**	**64,759**

On 20 September 2013, the Central Depositary of Securities of the Slovak Republic registered the transfer of 11,249 DanubePay share to Mr. Jozef Klein (Chairman of the Board of Directors). Asseco Central Europe currently holds 13,750 DanubePay shares. Company´s equity interest and voting rights decreased from 100% to 55%.

On 28 November 2013, Asseco Central Europe established a new company Asseco Hungary which will carry out its activities mainly in Hungary. The company was inserted in the Hungarian commercial register on 8 January 2014. Asseco Central Europe possesses 51% share in this new company.

All figures in thousands of EUR, unless stated otherwise 39

The Company regularly undergoes assessment of a presence of impairment indicators in relation to its financial investments in subsidiaries. As at 31.12.2013 the Company performed impairment testing with no impairment identified. The sensitivity analysis revealed that no impairment would be charged for any financial investment as at 31.12.2013,assumptions have not changed compared to previous year apart from Asseco Solutions, a.s. (SK).

Sensitivity analysis of Asseco Solutions, a.s. (SK) as at 31 December 2013	**Value of the assumption**		
Discount rate	Applied	+ 0.5%	+ 1.0%
Impairment charge	0	0	0
Operating profitability	Applied	- 0.5%	- 1.0%
Impairment charge	0	0	(443)
Growth rate	Applied	- 0.5%	- 1.0%
Impairment charge	0	0	(35)

In 2012 based on identified impairment indicators, the Company performed impairment testing which resulted in impairment of financial investment in Globenet cumulatively for 2011 and 2012 of EUR 2,900 thousand to be recognized. In 2013 assumptions changed positively and no impairment was identified. Moreover, sensitivity analysis taking into account possible change in assumptions did not reveal any impairment as well.

Sensitivity analysis of Globenet as at 31 December 2013	**Value of the assumption**		
Discount rate	Applied	+ 0.5%	+ 1.0%
Impairment charge	0	0	0
Operating profitability	Applied	- 0.5%	- 1.0%
Impairment charge	0	0	0
Growth rate	Applied	- 0.5%	- 1.0%
Impairment charge	0	0	0

Sensitivity analysis of Globenet as at 31 December 2012	**Value of the assumption**		
Discount rate	Applied	+ 0.5%	+ 1.0%
Impairment charge	1,450	232	522
Operating profitability	Applied	- 0.5%	- 1.0%
Impairment charge	1,450	32	104
Growth rate	Applied	- 0.5%	- 1.0%
Impairment charge	1,450	271	543

All figures in thousands of EUR, unless stated otherwise 40

11. Long-terms loans

Loan due from Globenet Zrt. granted in August 2012 of EUR 1,052 thousand, interest rate is 1M EURIBOR +1.1% p.a., maturity as at 31 December 2014 was in 2012 presented in the category Long-terms loans. As at 31 December 2013 is presented in Loans granted (current).

12. Deferred expenses

Current	**31 Dec 2013 (audited)**	**31 Dec 2012 (audited)**
Maintenance services	731	604
Pre-paid insurance	12	14
Pre-paid subscriptions	3	2
Pre-paid other services	65	75
Total	**811**	**695**

13. Implementation contracts

In 2013 and 2012, the Company executed a number of so-called IT implementation contracts. In line with IAS 11, sales generated from such contracts are recognized according to the percentage of completion of relevant contracts. In 2013 and 2012 the Company measured the percentage of completion of IT implementation contracts using the "cost" method (this is by determining the relation of costs incurred to the overall project costs) or according to the "work-effort" method.

The following table includes basic data about the ongoing IT implementation contracts.

	31 Dec 2013 (audited)	**31 Dec 2012 (audited)**
Costs incurred due to execution of IT contracts (-)	(4,470)	(2,967)
Profit (loss) on execution of IT contracts	**3,232**	**2,776**
Total revenues related to IT contracts	7,702	5,743
of which:		
Progress billing	8,101	5,392
Receivables relating to valuation of IT contracts (Note 14)	902	421
Liabilities relating to valuation of IT contracts (-) (Note 22)	(1,301)	(70)

All figures in thousands of EUR, unless stated otherwise 41

14. Trade and other receivables

Trade accounts receivable	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Trade accounts receivable including:	**17,910**	**8,957**
Receivables from related companies, of which:	3,158	1,780
from subsidiaries	*3,158*	*1,780*
Receivables from other companies	15,334	8,141
Revaluation write-down on doubtful accounts receivable (-)	(582)	(964)

Trade accounts receivable are not interest-bearing.

The Company has a policy of selling its products to reliable clients only. Owing to that, in the management's opinion, the credit sales risk would not exceed the level covered by the allowances for doubtful accounts as established by the Company.

The increase of Receivables from other companies was caused by invoicing of more projects' phases finalized at the year-end.

As at 31 December 2013 and 31 December 2012, no receivables and future receivables served as security for bank credits.

The transactions with related companies are presented in Note 23 to these financial statements.

Ageing of trade accounts receivable	as at 31 Dec 2013 (audited)		as at 31 Dec 2012 (audited)	
	amount	structure	amount	structure
Receivables not yet due	17,210	96%	8,664	97%
Receivables past-due up to 3 months	496	3%	180	2%
Receivables past-due over 3 months	204	1%	113	1%
	17,910	**100%**	**8,957**	**100%**

Other receivables and other assets	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Receivables from book valuation of IT contracts	902	421
Receivables from prepayments paid	1,940	8
Receivables from dividends	352	-
Receivable from sale of subsidiary	-	2,000
Other receivables	137	276
Total	**3,331**	**2,705**

All figures in thousands of EUR, unless stated otherwise 42

Receivables from valuation of IT contracts (implementation contracts) result from the surplus of the percentage on completion of implementation contracts over invoices issued.

Receivables from prepayments paid (EUR 1,940 thousand) represent advance payment provided to STIEFEL EUROCART, s.r.o. in 2013 that relate to ordered goods which will be delivered in 2014..

Receivables from sale of subsidiary UNIQUARE Software Development GmbH as at 31 December 2012 in amount of EUR 2,000 thousand were fully paid in 2013.

Amount of Proceeds from sale of investment in subsidiaries in the Statement of cash-flow in value of EUR 2,000 thousand presented receipt from sold share of UNIQUARE Software Development GmbH realised in 2010.

15. Loans granted and loans collected

Loans granted of EUR 2,328 thousand presented as at 31 December 2013 include loan due from DanubePay, a.s. (principal EUR 894 thousand + interests EUR 6 thousand, interest rate 1M EURIBOR + 1.1% p.a., maturity on 31 December 2014, repayment period was extended from 31 December 2013 to 31 december 2014) and loan due from Globenet Zrt. (principal EUR 1,398 thousand + interests EUR 30 thousand, interest rate 1M EURIBOR + 1.1% p.a. or 1M BUBOR + 2.25% p.a., maturity on 31 December 2014).

Loans granted of EUR 160 thousand presented as at 31 December 2012 include loan due from DanubePay, a.s. (principal EUR 160 thousand + interests EUR 0 thousand, interest rate 1M EURIBOR + 1.1% p.a., maturity in December 2013).

Amount of Loans granted in the Statement of cash-flows in value of EUR 1,081 thousand presented loan for DanubePay, a.s. (EUR 734 thousand) and for Globenet, Zrt. (EUR 347 thousand).

16. Other financial assets

As at 31 December 2013 the Company owns bills of exchange of J&T Private Equity B.V in amount of EUR 745 thousand with maturity in February 2014 (EUR 746 thousand, interest rate 2.5%).

As at 31 December 2012 the Company owned bills of exchange of J&T Private Equity B.V in amount of EUR 4,129 thousand with maturity in February 2013 (EUR 746 thousand, interest rate 6.5%), March 2013 (EUR 2,718 thousand, interest rate 3.5%) and bills due 30 days after request (EUR 665 thousand, interest rate 2.5%).

Amount of Proceeds from sale of other financial assets in the Statement of cash-flows in value of EUR 3,330 thousand relate to bills of exchange due during year 2013.

17. Cash and short-term deposits

	31 Dec 2013 (audited)	**31 Dec 2012 (audited)**
Cash in bank	9,452	7,703
Cash in hand	13	6
Short-term deposits	6,800	5,000
Cash equivalents	6	28
	16,271	**12,737**

All figures in thousands of EUR, unless stated otherwise 43

The interest on cash in bank is calculated with variable interest rates which depend on the bank overnight deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Current deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) either at 31 December 2013 or at 31 December 2012.

18. Share capital and capital reserves

The Company has capital stock amounting to EUR 709,023.84 which consists of 21,360,000 shares.

Par value on shares

All issued shares have a par value of EUR 0,033194 per share and have been fully paid up.

In 2013 and 2012 there were no changes in the Company's share capital and share premium account.

19. Current financial liabilities

Current	**31 Dec 2013 (audited)**	**31 Dec 2012 (audited)**
Finance lease commitments	-	6
Liabilities due to acquisition of shares in Globenet	-	-
Total	**-**	**6**

20. Finance lease

Leasing of cars and equipment

The aggregate future minimum lease payments and liabilities under such finance lease of cars and equipment are as follows:

	31 Dec 2013 (audited)	**31 Dec 2012 (audited)**
Minimum lease payments		
in period shorter than 1 year	-	7
Future minimum lease payments	**-**	**7**
Future interest expense		
Present value of finance lease commitment	**-**	**6**
in period shorter than 1 year	-	6

All figures in thousands of EUR, unless stated otherwise 44

21. Non-current and current provisions for liabilities

	Provision for warranty repairs	Other provisions	Total
As at 1 January 2013	**676**	**286**	**962**
Provisions established during financial year	1,522	60	**1,582**
Provisions reversed (-)	-	-	**-**
Provisions utilized (-)	(1,237)	(23)	**(1,260)**
As at 31 December 2013 (audited)	**961**	**323**	**1,284**
Short-term as at 31 December 2013	961	323	1,284
Long-term as at 31 December 2013	-	-	**-**
As at 31 December 2012 (audited)	**676**	**286**	**962**
Short-term as at 31 December 2012	676	286	962
Long-term as at 31 December 2012	-	-	**-**

Provision for warranty repairs

The provision established for the costs of warranty repairs corresponds to the provision of own software guarantee services as well as to handling the guarantee maintenance services being provided by the producers of hardware that was delivered to the Company's customers.

Other provisions

Other provisions includes provisions for penalties and compensations created for contractual penalties, mostly related to delayed projects.

22. Current trade accounts payable and other liabilities

Current trade accounts payable	**31 Dec 2013 (audited)**	**31 Dec 2012 (audited)**
Accounts payable to related companies	1,601	677
Accounts payable to other companies	2,670	2,869
Total	**4,271**	**3,546**

Trade accounts payable are not interest-bearing. The transactions with related companies are presented in Note 23 to these financial statements.

All figures in thousands of EUR, unless stated otherwise

Corporate Income Tax Liabilities due to taxes, import tariffs, social security and other regulatory benefits payable	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Value added tax	935	401
Corporate income tax (CIT)	1,295	-
Personal income tax (PIT)	106	343
Social Insurance Institution	330	426
Other	-	1
Total	**2,666**	**1,171**

The amount resulting from the difference between VAT payable and VAT recoverable is paid to the respective tax authorities on a monthly basis.

Other current liabilities	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Liabilities to employees relating to salaries and wages	512	1,505
Liabilities relating to valuation of IT contracts	1,301	70
Liabilities due to non-invoiced deliveries	143	147
Liabilities from prepayments from unrelated parties	93	105
Liabilities from prepayments received to parent company and subsidiaries	57	35
Other liabilities	17	33
Total	**2,123**	**1,895**

Liabilities to employees relating to salaries and wages decreased due to the fact, that quarterly (for Q4) and yearly bonuses were not allocated with December salaries in comparison to prior year (refer to table below).

Current accrued expenses	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Accrual for unutilized vacation	481	542
Accrual for employee bonuses	1,787	130
Other accruals	14	22
Total	**2,282**	**694**

Accrued expenses mainly consist of the accrual for unutilized vacation, accruals for salaries and wages of the current period to be paid out in future periods, which result from the bonus schemes applied by the Company as well as other employee-related accruals.

In accrual for employee bonuses are included quarterly (for 4-th quarter) and yearly bonuses as at 31 December 2013. In 2012 were allocated with December´s salaries in Liabilities to employees relating to salaries and wages.

All figures in thousands of EUR, unless stated otherwise 46

Current deferred income	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Maintenance services	988	866
Total	**988**	**866**

The balance of deferred income mainly relates to prepayments for the provision of services such as maintenance and IT support.

23. Transactions with related companies

	Asseco Central Europe Group sales to related companies in the period of		Asseco Central Europe Group purchases from related companies in the period of		Asseco Central Europe Group receivables as at		Asseco Central Europe Group liabilities as at	
	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)	31 Dec 2013 (audited)	31 Dec 2012 (audited)	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Transactions with parent company	**-**	**26**	**2**	**2**	**-**	**26**	**12**	**-**
Asseco Poland SA		26	2	2		26	12	-
Transactions with subsidiaries	**4,474**	**2,103**	**2,660**	**1,494**	**3,567**	**1,754**	**1,647**	**677**
Slovanet, a.s.	166	203	218	207	60	31	60	91
Asseco Solutions a.s. SR	12	104	280	116	352	2	305	4
DanubePay, a.s.	2,584	12	30	103	2,381	502	31	-
Asseco Czech Republic a.s.	1,550	1,728	2,117	1,055	534	1,181	1,237	582
Asseco Solutions a.s. ČR	1	1	-	-	-	-	-	-
Asseco SEE srl. (Net Consulting)	-	-	-	3	-	-	-	-
Globenet Zrt.	56	35	14	-	29	35	14	-
Asseco SEE SH.P.K (Pronet)	-	-	-	10	-	-	-	-
Statlogics Zrt.	87	-	-	-	208	-	-	-
Asseco South Eastern Europe d.o.o.	18	20	1	-	3	3	-	-
Transactions with related companies		**-**		**3**		**-**	**-**	**-**
Matrix42 AG	-	-		3	-	-	-	-
TOTAL	**4,474**	**2,129**	**2,662**	**1,499**	**3,567**	**1,780**	**1,659**	**677**

The increase in sales to DanubePay, a.s. was caused mainly by sale of StarCARD licence in amount of EUR 2,000 thousand (2013 revenue: of EUR 1,617 thousand). In 2012 the volume of transactions was lower due to the fact that DanubePay, a.s. started its activities only in August and it was in its start-up phase.

All figures in thousands of EUR, unless stated otherwise

24. Information on transactions with other related entities

According to information available to Asseco Central Europe, a. s., as at 31 December 2013 liabilities due to transactions conducted with companies related through the Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel themselves were in EUR 38 thousand.

As at 31 December 2012, according to information available to Asseco Central Europe, a.s., liabilities due to transactions conducted with companies related through the Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel were in EUR 462 thousand.

As at 31 December 2013, according to information available to Asseco Central Europe, a.s., there were no outstanding receivables due to transactions conducted with companies related through the Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel.

Whereas, as at 31 December 2012 there were no outstanding receivables under transactions conducted with companies related through the Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel.

In the 12 months period ended 31 December 2013, according to the accounting books of Asseco Central Europe, a. s. there were no transactions conducted with companies related through the Key Management Personnel or with the Key Management Personnel other than sale share of DanubePay to Mr. Jozef Klein - Chairman of the Board of Directors (Note 10).

Whereas, during 12 months ended 31 December 2012, according to the accounting books of Asseco Central Europe, a. s., there were no transactions conducted with companies related through the Key Management Personnel or with the Key Management Personnel.

25. Changes in working capital

The table below presents items comprising changes in working capital as disclosed in the statement of cash flows:

Changes in working capital	**12 months ended 31 Dec 2013 (audited)**	**12 months ended 31 Dec 2012 (audited)**
Change in inventories	(69)	(2)
Change in receivables	(11,657)	4,893
Change in liabilities	2,237	(2,431)
Change in deferred and accrued expenses	1,594	(1,298)
Change in provisions	322	(849)
	(7,573)	**313**

All figures in thousands of EUR, unless stated otherwise 49

26. Commitments and contingent liabilities concerning related companies

As at 31 December 2013, guarantees and sureties issued for Asseco Central Europe a.s. were as follows:

- Asseco Central Europe a.s. uses a bank guarantees issued by Komerční banka a.s. of EUR 1,638 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 30 April 2014);

As at 31 December 2013, guarantees and sureties issued by Asseco Central Europe a.s. were as follows:

- Slovanet a.s. (subsidiary) was granted a guarantee of EUR 4,000 thousand to back up its liabilities towards Všeobecná úverová banka under a framework crediting agreement.

As at 31 December 2012, no guarantees and sureties were issued for Asseco Central Europe a. s.

As at 31 December 2012, guarantees and sureties issued by Asseco Central Europe a.s. were as follows:

- Slovanet a.s. (subsidiary) was granted a guarantee of EUR 4,000 thousand to back up its liabilities towards Všeobecná úverová banka under a framework crediting agreement.

27. Commitments and contingent liabilities in favour of other companies

Additionally, as at 31 December 2013 and 31 December 2012, the Company was a party to a number of leasing and tenancy contracts or other contracts of similar nature, resulting in the following future liabilities:

Liabilities under operating lease of property, plant and equipment	31 Dec 2013 (audited)	31 Dec 2012 (audited)
In the period up to 1 year	-	7
Total	-	**7**

Liabilities under lease of space	31 Dec 2013 (audited)	31 Dec 2012 (audited)
In the period up to 1 year	937	937
In the period from 1 to 5 years	2,812	3,749
Total	**3,749**	**4,686**

All figures in thousands of EUR, unless stated otherwise 50

28. Employment

Average Company workforce in the reporting period	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Management Board of the Group companies	3	5
Production departments	311	325
Direct sales departments	1	2
Indirect sales departments	5	4
Back-office departments	20	21
Total	**340**	**357**

Company workforce as at	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Management Board of the Group companies	3	5
Production departments	319	339
Direct sales departments	1	2
Indirect sales departments	4	4
Back-office departments	20	22
Total	**347**	**372**

29. Objectives and principles of financial risk management

The Company is exposed to a number of risks arising from the macroeconomic situation of the countries in which the Company operates. The main external factors that may have an adverse impact on the Company's financial performance are: (i) fluctuations in foreign currency exchange rates against the Euro, and (ii) changes in the market interest rates. The financial results are also indirectly affected by the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, and the inflation rate. In addition, the internal factors with potential negative bearing on the Company's performance include: (i) risk related to the increasing cost of work, (ii) risk arising from underestimation of the project costs when entering into contracts, and (iii) risk of concluding a contract with a dishonest customer.

Foreign currency exposure risk

The Company's presentation currency is the Euro; however, some contracts are denominated in foreign currencies. With regard to the above, the Company is exposed to potential losses resulting from fluctuations in foreign currency exchange rates versus the Euro in the period from concluding a contract to invoicing.

Identification: According to the Company's procedures pertaining to entering into commercial contracts, each agreement that is concluded or denominated in a foreign currency, different from the functional currency of the Company, is subject to detailed registration. Owing to this solution, any currency risk involved is detected automatically.

All figures in thousands of EUR, unless stated otherwise 51

Measurement: The foreign currency risk exposure is measured by the amount of an embedded financial instrument on the one hand and, on the other, by the amount of currency derivative instruments concluded in the financial market. All the changes in the value of exposure are closely monitored on a fortnightly basis. The procedures applicable to the execution of IT projects require making systematic updates of the project implementation schedules as well as the cash flows generated under such projects.

Objective: The purpose of countering the risk of fluctuations in foreign currency exchange rates is to mitigate their negative impact on the contract margins.

Measures: In order to hedge the contracts settled in foreign currencies, the Company concludes simple currency derivatives such as forward contracts and, in the case of embedded instruments under foreign currency-denominated contracts, non-deliverable forward contracts. In addition, forward contracts with delivery of cash are applied for foreign currency contracts.

Matching the measures to hedge against the foreign currency risk means selecting suitable financial instruments to offset the impact of changes in the risk-causing factor on the Company's financial performance (the changes in embedded instruments and concluded instruments are balanced out). Nevertheless, because the project implementation schedules and cash flows generated thereby are characterized by a high degree of changeability, the Company is prone to changes in their exposure to foreign exchange risk. Therefore, the Company dynamically transfers their existing hedging instruments or concludes new ones with the objective to ensure the most effective matching. It has to be taken into account that the valuation of embedded instruments changes with reference to the parameters as at the contract signing date (spot rate and swap points), while transferring or conclusion of new instruments in the financial market may only be effected on the basis of the current rates available. Hence, it is possible that the value of financial instruments will not be matched and the Company's financial result will be potentially exposed to the foreign currency risk.

The overall impact of foreign currency risk, from a change in exchange rates on the financial statements, was insignificant as of 31 December 2013.

Interest rate risk

Changes in the market interest rates may have a negative influence on the financial results of the Company. The Company is exposed to the risk of interest rate changes primarily in two areas of its business activities: (i) change in the value of interest charged on credit facilities granted by external financial institutions, which are based on a variable interest rate, and (ii) change in valuation of the concluded and embedded derivative instruments, which are based on the forward interest rate curve. More information on factor (ii) may be found in the description of the currency risk management.

Identification: The interest rate risk arises and is recognized at the time of concluding a transaction or a financial instrument based on a variable interest rate. All such agreements are subject to analysis by the appropriate departments within the Company, hence the knowledge of that issue is complete and acquired directly.

Measurement: The Company measures exposure to the interest rate risk by preparing statements of the total amounts resulting from all the financial instruments based on a variable interest rate.

Objective: The purpose of reducing such a risk is to eliminate occurrence of higher expenses due to the concluded financial instruments based on a variable interest rate.

Measures: In order to reduce its interest rate risk, the Company may: (i) try to avoid taking out credit facilities based on a variable interest rate or, if not possible, (ii) conclude forward rate agreements.

Matching: The Company gathers and analyzes the current market information concerning its present exposure to the interest rate risk. For the time being, the Company does not hedge against changes of interest rates due to the high degree of unpredictability of their credit repayment schedules.

The Company bears no loans and credits, hence is not exposed to this risk.

Credit risk

The Company is exposed to the risk of defaulting contractors. This risk is connected firstly with the financial credibility and goodwill of the contractors to whom the Company provides IT solutions, and secondly with the financial credibility of the contractors with whom supply agreements are concluded.

Identification: The risk is identified each time when concluding contracts with customers, and afterwards during the settlement of payments.

Measurement: Determination of this type of risk requires the knowledge of any complaints or pending judicial proceedings against a client already in existence at the time of signing an agreement. Every two weeks the Company is obliged to control the settlement of payments under the concluded contracts, inclusive of the profit and loss analysis for individual projects.

Objective: The Company strives to minimize this risk in order to avoid financial losses resulting from the commencement and partial implementation of IT solutions ,as well as to sustain the margins adopted for the executed projects.

Measures: As the Company operates primarily in the banking and financial sectors, its customers are concerned for their good reputation. Here the engagement risk control is usually limited solely to monitoring the timely execution of bank transfers and, if needed, to sending a reminder of outstanding payment. However, in the case of smaller clients, it is quite helpful to monitor their industry press as well as to analyze any earlier experiences of the Company itself and of its competitors. The Company concludes financial transactions with reputable brokerage houses and banks.

Matching: It is difficult to discuss this element of risk management in such cases.

Financial liquidity risk

The Company monitors the risk of funds shortage using the tool for periodic planning of liquidity. This solution takes into account the maturity deadlines of investments and financial assets (e.g. accounts receivable, other financial assets) as well as the cash flows anticipated from operating activities.

The Company's objective is to maintain a balance between continuity and flexibility of financing by using various sources of funds.

The following table shows the Company's trade accounts payable and other liabilities as at 31 December 2013 and 31 December 2012, by maturity period based on the contractual undiscounted payments.

Ageing structure of trade accounts payable and other liabilities	as at 31 December 2013 (audited) amount	structure	as at 31 December 2012 (audited) amount	Structure
Liabilities already due	363	6%	569	10%
Liabilities due within 3 months	6,031	94%	4,874	89%
Liabilities due within 3 to 12 months	-	0%	4	0%
Liabilities due after 1 year	-	0%	-	0%
	6,394	**100%**	**5,447**	**100%**

As at 31 December 2013 there were no other financial liabilities. The table below presents the ageing structure of other financial liabilities as at 31 December 2012.

As at 31 December 2012 (audited)	Liabilities falling due within 3 months	Liabilities falling due within 3 to 12 months	Liabilities falling due within 1 to 5 years	Liabilities falling due after 5 years	Total
Finance lease commitments	3	4	-	-	7
Total	**3**	**4**	**-**	**-**	**7**

Financial guarantees provided are described in Note 26.

Foreign currency risk

The Company tries to conclude contracts with their clients in the functional currency to avoid exposure to the risk arising from fluctuations in foreign currency exchange rates against their own functional currencies.

The analysis of sensitivity of trade accounts payable and receivable to fluctuations in the exchange rates of the CZK and other currencies against the functional currencies of the Company indicates that the exposure to foreign currency risk is not significant.

All figures in thousands of EUR, unless stated otherwise 54

Trade accounts receivable and payable as at 31 December 2013 (audited)	Amount exposed to risk	Impact on financial results of the Company	
		-10%	10%
CZK :			
Trade accounts receivable	252	(25)	25
Trade accounts payable	136	14	(14)
Balance	**388**	**(11)**	**11**

Trade accounts receivable and payable as at 31 December 2012 (audited)	Amount exposed to risk	Impact on financial results of the Company	
		-10%	10%
CZK :			
Trade accounts receivable	166	(17)	17
Trade accounts payable	782	78	(78)
Other			
Trade accounts payable	2	-	-
Balance	**950**	**61**	**(61)**

as at 31 December 2013 (audited)		Impact on financial results of the Company	
CZK	**Amount exposed to risk**	**-10%**	**10%**
Financial assets			
Short-term forward contracts for purchase of foreign currencies	-	-	-

as at 31 December 2012 (audited)		Impact on financial results of the Company	
CZK	**Amount exposed to risk**	**-10%**	**10%**
Financial assets			
Short-term forward contracts for purchase of foreign currencies	200	(20)	20

All figures in thousands of EUR, unless stated otherwise 55

Effects of reducing the interest rate risk

The analysis of sensitivity related to fluctuations in interest rates of loans granted indicates the following net impact on the financial results:

Loans granted based on variable interest rates as at 31 December 2013 (audited)	Amount exposed to risk	Impact on financial results	
		-15%	15%
Loans granted based on EURIBOR variable interest rate	2,067	-	-
Loans granted based on BUBOR variable interest rate	261	(1)	(1)

Loans granted based on variable interest rates as at 31 December 2012 (audited)	Amount exposed to risk	Impact on financial results	
		-15%	15%
Loans granted based on EURIBOR variable interest rate	1,207	-	-

Other financial assets (bills of exchange of J&T Private Equity B.V) are based on fixed interests rates and are not included in sensitivity analysis.

Other types of risk

Other risks are not analysed for sensitivity due to their nature and impossibility of absolute classification.

Methods adopted for conducting the sensitivity analysis

The analysis of sensitivity to fluctuations in foreign exchange rates, with potential impact on our financial results, was conducted using the percentage deviations of +/-10% by which the reference exchange rates, effective as at the balance sheet date, were increased or decreased.

Fair value

As at 31 December 2013, the fair values of the Company's assets and liabilities are not significantly different from the values recognized on the statement of financial position.

30. Remuneration due to certified auditors or the entity authorized to audit financial statements

The table below discloses the total amounts due to the entity authorized to audit financial statements, namely Ernst & Young Slovakia s. r. o., paid or payable for the years ended 31 December 2013 and 31 December 2012, with breakdown by type of service:

Type of service	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Obligatory audit of annual financial statements	34	34
Total	**34**	**34**

All figures in thousands of EUR, unless stated otherwise 56

31. Equity management

The main objective of the Company's equity management is to maintain favourable credit rating and safe level of equity ratios that would support the Company's operating activities and increase value for our shareholders.

The Company manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Company may change its dividend payment policy, return some capital to its shareholders or issue new shares. In 2013, as well as in the year ended 31 December 2012, the Company did not introduce any changes to its objectives, principles and processes adopted in this area.

The Company consistently monitors the balance of its capital using the leverage ratio, which is calculated as a relation of net liabilities to total equity increased by net liabilities. It is the Company's principle to keep this ratio below 35%. Net liabilities include interest-bearing credits and loans, trade accounts payable and other liabilities, decreased by cash and cash equivalents. Equity comprises own equity attributable to shareholders of the Company, decreased by reserve capitals from unrealized net profits.

Equity management	31 Dec 2013 (audited)	31 Dec 2012 (audited)
Trade accounts payable and other liabilities	13,614	9,140
Minus cash and cash equivalents (-)	(16,271)	(12,737)
Net (assets) and liabilities	(2,657)	(3,597)
Shareholders' equity	103,564	99,609
Total equity	103,564	99,609
Equity plus net liabilities	**100,907**	**96,012**
Leverage ratio	**-2.63%**	**-3.75%**

32. Remuneration of Members of the Board of Directors and Supervisory Board of the Company

The table below presents in EUR remuneration payable to individual Members of the Board of Directors and the Supervisory Board of the Company for performing their functions during 2013 and 2012. Remuneration for the period 2013 does not include yearly bonuses, which were not allocated with December salaries in comparison to prior year. Company presented as at 31 December 2013 current accrual in amount of EUR 850 thousand for this purpose.

All figures in thousands of EUR, unless stated otherwise

Remuneration for the period of	12 months ended 31 Dec 2013 (audited)	12 months ended 31 Dec 2012 (audited)
Management Board	**423,123**	**1,746,284**
Klein Jozef – President of the Management Board	223,760	923,654
Levíček Radek – Vice-chairman of the Board of Dir. (since 13 Dec 2012)	4,800	-
Moravek Martin – Member of the Management Board (till 13 Dec 2012)	-	366,673
Navrátil Michal (till 13 Dec 2012)	-	114,872
Osuský Tomáš (till 28 Feb 2014)	94,840	168,240
Grác Marek	94,923	172,845
Stoppani David (since 13 Dec 2012)	4,800	-
Supervisory Board	**25,800**	**25,800**
Góral Adam	7,800	7,800
Handlovský Ján	6,000	6,000
Seczkowski Piotr	6,000	6,000
Marek Panek	6,000	6,000
Total	**448,923**	**1,772,084**

33. Seasonal and cyclical nature of business

The Company's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because the bulk of sales revenues are generated from the IT services contracts executed for large companies and public institutions, the fourth quarter turnovers tend to be higher than in the remaining periods. This phenomenon occurs for the reason that the above-mentioned entities close their annual budgets for implementation of IT projects and usually carry out investment purchases of hardware and licences in the last quarter.

34. Significant events after the balance sheet date

On 2 January 2014, the Board of Directors of Asseco Central Europe signed an agreement with Asseco Dach S.A. for acquisition of 100% shares in Asseco Solutions AG headquartered in Germany in value of EUR 13,800 thousand. Asseco Solutions AG is a recognized expert in the area of technologically leading ERP software for manufacturing companies within Germany, Austria and Switzerland. Based on the preliminary assessment of the transaction, the acquisition will be treated as business combination under common control (IFRS 3).

All figures in thousands of EUR, unless stated otherwise 58